

Maclean's

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ABROAD

A BATTLE JOINED

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Fires Up The
Critical
Constitution
Debate



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Maclean's

CANADA'S WEEKLY NEWSMAGAZINE NOVEMBER 4, 1999 VOL. 32 NO. 45

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COVER

A BATTLE JOINED

Pierre Trudeau stormed out of retirement to attack both the Meech Lake accord and Liberalism who refuse to defend his vision of Canada. But while federal Liberals dithered, Manitoba, New Brunswick and Newfoundland all demanded changes in the accord—changes that Quebec's Robert Bourassa swore could not be made—leaving the country's constitutional future in doubt. — 33



SPECIAL REPORT

DESTROYING THE MIDDLE CLASS

Many middle-class Canadian families say that, even before the imposition of a proposed new federal goods and services tax, they are struggling to stop the erosion in their living standards. Taxes of all kinds already account for about half of the expenditures of Canadian middle-class families. — 54



WORLD

A CRASH COURSE FOR MULRONEY

Prime Minister Mulroney was plucked from such leaders as Reagan's Daniel Ortega and Honduras's José Acevedo for Canada's decision to join the Organization of American States. But friction over Ortega's announcement of assumed civil war overshadowed the celebration. — 22





Middle-Class Conflict

For some young, middle-class Canadians, a visit to their parents' home provides a sharp reminder that their own comfortable assumption that each generation will enjoy a higher living standard than previous ones is no longer a sure one. The issue is frequently layered and better furnished, and many people now accept the fact that they will probably never attain the same level of affluence as the previous generation. At the same time, however, they have remained stagnant and lapsed from all sources save education. 50 per cent of an individual's psychoprene—more than food, shelter and clothing combined. As a result, a deep frustration is growing. That mood was found to be widespread, as *Maclean's* reporters, directed by Business Editor Tom Percival, carried out cross-country interviews with middle-class Canadians for this week's special report.

In conversation after conversation, family members said that they are finding it increasingly difficult just to get by as what they earn. And, although these concerns are often overshadowed in fact, they say that they are worried that Michael Wilson's proposed state-guaranteed Goods and Services Tax will crush their livelihood. Many wanted to make the point that they feel fortunate to live in Canada and that they are willing to pay taxes to support the country's social-welfare system. But they elected strongly to the distribution of the tax burden, which they see as unfairly heavy for the middle class.

Associate Editor Patricia Casadevall, who wrote the special report's main story, said that the gradual destruction of the middle class has taken place under both Liberal and Conservative governments. She added: "People are bewildered and angry. Most have sacrificed and worked extremely hard, and yet they feel as though they are drowning in a sea of taxes and rising inflation." Researcher-Reporter Julie Cassin, who prepared the charts, which show that middle-class Canadians have failed to make any significant gains in the past decade, concluded, "The numbers tell the story."



Finest! Cassin, Casadevall (right) people feel that 'they are drowning in a sea of taxes'.

Raine Douglas

Maclean's

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Guy Laroche
Paris

Drakkar Noir.
Eau de toilette for Men.

LETTERS

EQUAL OPPORTUNITY

In Charles Lynch's *Murder* review of my book, he reportedly accuses me of pro-Gelb bias ("Holiness supreme," Oct. 36), but try telling that to John Turner. And, as a former colleague at Southern News, Mr. Lynch should remember advising me on my way about Pierre Trudeau's final campaign flag in June, 1984, a story that helped the Turners win a massive majority in the September election. Oddly enough, long before I became a reporter, did work for a political party, the Conservatives. Now, I am just your typical mid-level equal-opportunity offender, not anti-Turn, just anti-Gelb.

Steve Connors,
Toronto

ENDURING THE COLONISTS

Alan Fetheringham in his Oct. 9 column ("North History Old World charm"), has hit the nail on the head—apparently without even realizing it. The reason the United Empire Loyalists left the United States was the same reason the British were invited to leave so easy of their former colonies: their audacious, condescending, colonial attitude. The people of Quebec have simply endured three larger than that.

Elie Aron,
Rive (11/95) Que

OUT OF TANZANIA

There is, indeed, a true modern odyssey, to place Tanzania's Serengeti National Park in Kenya's A modern odyssey," *Buenos Aires*, Oct. 36)

Alvin Almeida,
Mississauga, Ont

TITULAR IMPROVEMENTS

Barbara Amiel's column of Oct. 23, "In defense of the freedom to speak," about the spreading habits of the rich, should have been titled, "In defense of the freedom to be blind to the signs of domination, which I help to perpetuate because it serves me well."

Mary Anne Moore,
Calgary

'AT WAR' WITH FAT

I was gratified to read "The dangers of dieting" (*Cover*, Oct. 36). You masterfully presented the facts about "diet-induced obesity" the value of consuming more dieting and the exaggeration of "risk factors" associated with dieting. Yet the article's conclusion still promotes the myth that we should be "at war"



Connors: 'Just anti-Gelb'

with our bodies. Why present the facts and then lead our fate "assurances" then first can be ignored? Chronic, "yo-yo" dieting increases their cardiovascular risks, lose the ability to access their bodies' hunger and satiety signals and, in 95 per cent of cases, regain all their lost weight. To suggest that there is a war to be won debate the purpose of this article.

Deborah J. Bennett,
Windsor, Mich

PASSAGES

SENTENCED: Disgraced televangelist Jim Bakker, 48, to 45 years in prison and a \$600,000 fine, for defrauding contributors to his TV ministry of \$4.4 million; he arrived July 1. Robert Pattinson, in Charlotte, N.C. On Oct. 5, Bakker was sentenced on 14 felony fraud and conspiracy charges on conspiracy with his successful hand-carrying apostles. He and his grand-son-in-law, Tammy Faye, finished their ministry in 1974. In 1975, Bakker received an 11% presidential pardon; to a previous sexual encounter with church secretary Jessica Hahn, who later sold her sexual story to *Playboy* magazine. Bakker, who is spending his sentence, is eligible for parole in 19 years.



OWN: American novelist and critic Mary McCarthy, 77, whose acerbic reviews, sensational autobiographical novels and her marriages led to international renown of career in a New York City hospital. McCarthy first made her mark in the 1930s, writing theatre and book reviews for *The Nation* and *Partisan Review*. Her most popular novel, *The Group*, published in 1963, provided controversy for its frank discussion of sex and female friendship.

AWARDED: To Japanese-born British actor Kazuo Hagiwara, 36, the coveted Booker Prize, Britain's top literary award, for his recently novel, *The Remains of the Day*. Hagiwara has won five other British awards, including Canadian Margaret Atwood, who has been nominated for her seventh novel, *Can't Buy*.

ERODING FOUNDATIONS

The dream of the nation was based upon a strong east-west alliance. The only way to be maintained through east-west trade and diplomacy (the national mission, which would create the country "Cutting back Via," *Canada*, Oct. 16). It seems that Brian Mulroney's Conservative government, through its free-trade policy and its decision to cut back on Via service, is eroding the foundations upon which Canada became a country.

Arthur J. Windfeld,
Goderich, Ont

KUDOS FOR GORBACHEV

Boris Gorbachev's leap" (*World*, Oct. 31) raised my opinion of Mikhail Gorbachev. This man has changed the future for his country and the world. For once, there is a person in power who is spending for the good of his country, not for the good of himself and his political cohorts. Today's motto must have been for new ideas and change. Gorbachev has taken one giant step closer to a new Soviet Union. The Western world should not criticize him, it should applaud for an encore.

Charles Hume,
Victoria



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LETTERS

FROM BUMPER TO BUST

Your article on "The return of the West" (*Business*, Sept. 18) is misleading—especially the photo showing ruminant grazing on "a bumper crop on the steppage Prairies." There is no bumper crop. The rain during harvest has done a lot of damage to the quality of some grains. My own wheat has been reduced from top quality No. 1 to No. 3. All grain and oilseed prices are down from last year. In the past five years, 34 million acres have been transferred from ownership to rental status. Your article makes no mention of the hardship and distress being experienced by farm families and their communities.

Lee G. Kautzsch,
Culworth, Sask.

After years of uncertainty and economic hardship, the renewed return of a prosperous West is encouraging. However, just as encouraging is Alberta and British Columbia's approach to reclamation. Their efforts to strengthen the pulp-and-paper sector reflect an approach of short-term gain for long-term gain. Spin-off jobs, profits and an influx of capital should not preclude the consideration of the environmental problems that will not be overlooked.

Greg Wright,
Vancouver

You must have viewed the bumper grain crop on the steppage Prairies through rose-tinted glasses. It is to be hoped that the government of economic interest in the West were made with these rose glasses removed.

Cesar A. Jones,
Windsor, Ont.

B.C. Finance Minister Melnick's statement that "We might well create a greater economic independence from Canada" and one scrambling for the latest sales edition. Gosh, could our geopolitical businessmen have been drawn incorrectly all these years?

Walter Latta,
Penticton, Ont.

LINGUISTIC DOUBLE STANDARDS

Prime Minister Brian Mulroney has announced the appointment of Roman Herzog as the next Governor General of Canada ("The Queen's man," *Canada*, Oct. 26). Herzog is a linguist—at English, of course. Can we imagine a linguistic francophone being appointed Governor General? As we say in French, as usual, it is a case of *deux poids, deux mesures*—two weights, two measures.

Georges Lussard,
Montreal, Que.

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by Jenkins



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LETTERS

TESTING POLITICAL WATERS

Even after three years out of politics, Jean Chrétien is still No. 1 in the hearts of many Canadians ("Chrétien tests the pool," Canada, Oct. 14). The same sort of esteem 21 years ago propelled Pierre Trudeau to the pinnacle of his political career. Let us hope that, before Chrétien dons the leadership cloak, "Chretienism" does not alter his perception of himself as a del that of his former boss. Chrétien wants to test the water. Trudeau thought he could walk on it.

Phil Gales,
Quebec City

CBC AT PEACE

In "The poor beleaguers" (Broadcasting, Oct. 16), you state that the directors of the CBC's 10 regions have been fighting with network chiefs and the board of directors over how to accommodate government-ordered cutbacks of \$145 million. That is wrong. No fight took place. No fight is taking place. In fact, regional directors have been working closely with network chiefs to try to deal with the cutbacks. We hope that, together, we can find solutions, just as, together, our commitment is to a world-class broadcasting service for all Canadians.

Bob Swick,
CBC Regional Director for Saskatchewan
Regina

LATE ARRIVAL

Your article "Turbulent seas" (Cover, Sept. 4) states that the first Canadian troops arrived in Berlin on Dec. 23, 1949. That is inaccurate. My brother arrived in Gagarin on Dec. 17, 1949, aboard the *Deutscher Beifahrer* with the *Saskatoon Light Infantry*, and an advance party was there even earlier.

Norman Arnold,
Saskatoon, S.C.

Canada's part in the Second World War has been misquoted not only by time, but also by writers, journalists, historians and even veterans who have been misquoted by the U.S. media ("The son of blood," Cover, Sept. 4). Royal Canadian Air Force bomber crews went as "traps," "baiting" or, more commonly, "top-down," but never, never as "missions." That was strictly an American term. We would have had trouble thinking of ourselves as missionaries.

Lawrence Gordon,
Stanley Bridge, P.E.I.

Letters are edited and may be condensed. Writers should include address and telephone number. Send corrections to: Letters to the Editor, Maclean's magazine, Maclean's House, 177 Bay St., Toronto, Ont. M5H 1A7.

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LETTERS

'SAY NO TO BASEBALL'

I am rereading the eight-odd pages from *Life* since that death wish baseball ("The mythical stadium," Cover, Oct. 2). I do not want to have them in my possession. This one shrill voice in the wilderness is my protest against the media-driven craze over baseball. Are Canadians really so enamored with a sport that scuttles our entire soccer playing proficiency? Are our interests really less gripping than Old Cat Boyd, Mark Langston, Mookie Wilson or Tommy Lasorda? I can't get worked up over a sport that drops on enterprisingly as sports-casters fill dead air with meandering trivia and stats. Am I the only Canadian not affected? Let this letter serve as a rallying cry: Canadians, just say no to baseball.

Terry Warner,
St. Hubert, Que.

Who would ever have guessed that we have so regrettably antiquated methods to thank for the "Blue Jays" protest arrangements ("The view from Section 117," Cover, Oct. 2)? Blaming those members of the home team—what a curious ploy. Surely, Larry Greenstein's diarrhoea should have been rewarded at the ball's end. But perhaps it's an application of the old Japanese maxim: "Better a baseball has been than a political screw-up."

Bob Brantly,
Oshrogo, Ont.

DINNER POUL-UP

Elio Del Zotto has been working on the committee to sell tickets for the federal Liberal party's annual Confederation Dinner from Nov. 1 ("Dinner for 3,400," Opening Notes, Oct. 2). He was not, as you reported, just recruited last week. Your selection is the loss of a list of 80 names is also erroneous. We always had the hard-copy list. For one day, the list was locked in the computer awaiting the printer's password. Did it ever occur to you to check with the source before printing such an erroneous report?

William M. Somerville,
Toronto

FORSAKE THE GARDEN

In a world permeated with starvation, homelessness, violence and apathy, it is disturbing that two people as a position to make a difference had "Inattention" and "neglect" in the streets of Canadian gardens ("Backyard pride," People, Oct. 2). I imagined to Henry Werners and Nicole Eaton that they had a better vantage point than the smug of their gardens from which to view the world.

Andrew P. Davis,
Oshrogo

"Save money over the long haul"

Donna Laporte, Barbara MacDonald, Philip Cook



"Our condominium board had energy-efficient lighting installed less than a year ago and we expect it to pay for itself soon."

"We installed 7-watt compact fluorescents over doorways and in the lobby at an estimated saving of 88 percent of the energy it used to take to light these areas. That translates into a saving of thousands of dollars a year."

"The new fixtures are attractive, they were easy to install and there was no inconvenience to residents."

"We're also happy with the quality of light. It looks good and we haven't lost any light."

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OPENING NOTES

George Bush ponders a pin-up ban, Yves Fortier considers a leadership race, and Vladimir Lenin may move

A TEST OF FRIENDSHIP

It is urban, bilingual and a Liberal stalwart with impeccable public service credentials. Indeed, key party members say that Ambassador Yves Fortier's arena surface whenever they discuss potential successors to John Turner. Some add that Turner himself wants the 54-year-old Fortier to enter the leadership race. But Liberals who are close to the ambassador say that he will not do so without first determining how long Brian Mulroney plans to stay on as they leader. Although there have been rumors that Mulroney will leave public life before the next election, due in 1992, he has never hinted publicly that he plans to do so. Fortier and Mulroney have been friends since they were law students more than 20 years ago, and the Prime Minister last year appointed Fortier the Canadian ambassador to the United Nations. Now, say Fortier's friends, the ambassador would run for the leadership only if he were certain that victory there would not pit him against Mulroney. For Fortier, friendship clearly means more than political opportunity.

Fortier: a Liberal leadership candidate with a Troy threat



COURTESY, TURNER OFFICE

Mystery in a Montreal club

Members of Montreal's English-speaking Establishment are still discussing the puzzling events that preceded an elderly man's death from a stroke on Oct. 3. Two months earlier, retired insurance executive Stephen Doody, 61, left a dinner table at the Wilshire tennis club to visit the bathroom. But Doody never returned to a table that included Mike Mulroney's parents, Dr. Dennis Presale and his wife, Brigitte. Doody, an insurance boss Doody to hospital with injuries that included a fractured pelvis and a ground-level lung. Other club members who were there that night say that Doody might have accidentally tripped on a 30-year-old businessman's tennis equipment—in an incident that allegedly prevented the

man to attack Doody. But the police have still not laid any charges in a death that is listed as the city's 67th homicide of the year.



DAN COHEN/CPA

Wilshire club: serious injuries but no charges

MOVEMENT ON RED SQUARE

The emboldened remnants on Red Square are one of Moscow's most popular tourist attractions. But a two-month closure of Vladimir Klob-Lashin's red-square tomb is scheduled to begin on Nov. 10—apparently for needed maintenance work—generating speculation from Moscow to Washington that Soviet authorities might shift Lenin's body to a niche in the Kremlin wall. Indeed, some state department officials claim that such a move would fit with President Mikhail Gorbachev's desire to break with the country's rigid Communist background.

Keeping the lid on a hot report

The U.S. state department is withholding its yearly assessment of Soviet disinformation campaigns against the United States—until Bush administration officials finish reviewing its contents, say department staffers. But the intelligence agency members who supplied the data say privately that the administration has not released the study in order to maintain warning relations with Moscow. Indeed, such conservative legislators as North Carolina Senator Jesse Helms say that they will complain to the Senate Foreign Relations Committee if the report indicates, as present, hard-line conclusions that the Cold War is not yet over.



Bush, Conrad and McBain: as voters scrippies and a report to her Playboy

TAKING AIM AT SOLDIERS' PIN-UPS

Until recently, topless dancers routinely performed at U.S. military bases in the Pacific. But the Pentagon banned such entertainment after a congressional committee that was studying women's roles in the services concluded last summer that on-base strippers lapsed efforts to treat all women with respect. Now, Colorado Republican Senator William Armstrong wants to amend that finding. He has asked George Bush to ban the sale of such magazines as Playboy and Penthouse on U.S. bases—a request that drew a swift response from Playboy spokesman William Page. Said Page, "Playboy just like any other highly respected magazine, ought to be freely available, especially to military personnel who are defending the U.S. Constitution." A Bush veto and possibly that the Pentagon would not risk losing military votes by passing the page. As a result, pictures of Vietnam-born Playboy model—magazine founder Hugh Hefner's wife and Playboy's 1980 Playmate of the Year, will likely continue to grace barracks room walls.

RENOVATING A GENERAL'S NEW HOME BASE

At chief of the defense staff, John de Chastelain is the top soldier in Canada's 84,000-member Armed Forces. And as the department of national defense adjusts to recent budget cuts, the general could soon enjoy the use of Mapleton, a 30-room mansion that the National Capital Commission owns in the west and at Ottawa. But spokesmen say they are interested in leasing the building—at an undetermined cost—because de Chastelain is the only NATO boss without an official residence. Still, the officer who would oversee any renovations to the 155-year-old stone house dismissed rumors that the NATO would spend \$10 million on that project. Said Vice-Admiral Charles Thomas: "They would be shorn out of my office, I would eat even consider it." Age, age, 40.

Help from on high

Firefly Books Ltd. has launched a printout against the proposed Goods and Services Tax—with the help of



MULRONEY: many pictures

aided to Finance Minister Brian Mulroney and Finance Minister Michael Wilson, who provide pictures of the two men. Firefly is sending stripes with the images of Mulroney and Wilson and the slogan "I'll tax books!" to more than 600 Canadian bookstores. Said Mulroney aide Christopher Devin: "We did not authorize them to be used like that, I can assure you."

A blast from the past

Dorothy Biggan was one of Ronald Reagan's most powerful allies—and at the same time occupied a prominent place in Nancy Reagan's memoirs. As a result, the editors of the monthly magazine, The Washingtonian, decided that the former chief of staff would be a provocative choice to review *My Turn*, the former first lady's account of White House life. Indeed, The Washingtonian's editors managed to sidestep Ronald Reagan's embargo on advance copies by obtaining the cassette version of the book—narrated by Reagan herself. Biggan's 3,000-word article will come more than the magazine's usual five far less reviews. According to Washingtonian editor Jack Lippert, when Reagan agreed to do the review, he said, "Okay, you can pay me the \$2,000. And then you can add 10 per cent on top. Then we will have a deal."

Biggan: a taped version of her book



DOROTHY BIGGAN

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AN AMERICAN VIEW



Sexual charges and Martin Luther King

MY FRED BURNING

Reports of Martin Luther King's lascivious sex antics were not new. Under J. Edgar Hoover, the FBI tapped his hotel rooms and obtained damaging material—information that, according to Hoover's old notes of national security, was critical to the republic's survival. Two books—both Pulitzer Prize winners—look at King's reputation. Now another account—the most dramatic and, for many, the most infuriating—comes from Rev. Ralph David Abernathy, the trusted lieutenant who matched side-by-side with King during the desegregation years of America's civil rights revolution.

In his newly published book, *And the Walls Came Tumbling Down*, Abernathy claims that on the night before his death, King was in the company of two women and, the next morning, eagerly invited a third across a bed following a disagreement. Alarmed and the father of four children, King believed in fidelity. Abernathy insists: "It was just that he had a particularly difficult time with that temptation. We all fall short of the mark.... Sexual sin can be so subtle the word. Harold and I did struggle for others are tempting us too."

Since Abernathy's revelations, many who suspected King had discovered the 63-year-old minister. Critics challenge his motives, memory, health, attitude and sense of decency. "This is but another attempt to denigrate the life and work of the only spiritual giant America has produced," said a statement signed by 27 black leaders, including Jesse Jackson, NAACP executive director Benjamin Hooks and Mayor Andrew Young of Atlanta. "It is time for ministers to cease their little efforts to distract us from the duty that God has given to our race and to unite through Dr. King."

But television's Bryant Gumbel was disconcerted to the point where journalists—such as it is portrayed by the hosts of video sex programs—became an afterthought. "You have to know that would hurt Martin's wife, Coretta,"

A new book claims that on the night before his death, King was with two women and, next morning, shoved a third across a bed

heally," snickered the *Today* show while interviewing Abernathy. Gumbel charged that controversial stories in Abernathy's book would offer "great comfort" to those who revile King. "Why did you give them the weapon?" Abernathy answered that he had no choice.

Since his book became a bestseller, Abernathy has protested that King's private life hardly was a secret and that *Tumbling Down* was to be credible, he could not avoid the issue. Now, as a confidant of King, could he fail to acknowledge what readers already had reported? He was not breaking the troubling news, only trying to put it into perspective.

Disclosure about King's need for a doctor's help was published in a volume titled *Porting the Widest America* in the *King Years*, by Taylor Branch, and in another so-called book, *Beyond the Cross*, by David Garrow, who studied the man's historical life. Garrow has reported that federal agents determined that King had several casual affairs and one that "increasingly became the emotional centerpiece" of his life—an intelligence known for Hoover and his allies on the screwball right.

Abernathy, on the other hand, claims he mentioned no names—that his aim was to portray

Martin Luther King as a human being and not just a reasonable idealist. "I wrote nothing out of malice," Abernathy says. "Martin was my closest friend, my buddy, the king, he had been placed in the position of being a saint, a Jesus, a god, but he was merely mortal. Both and blood. If I hadn't written about what I saw, they would have accused me of whitewashing history. It's only two pages out of more than 500. The book is a tribute to my friend."

But those two pages were extraordinary. Abernathy says that after late dinner on April 3, 1968, he and King returned to the Lorraine Motel in Memphis and went to the room of A. B. King, brother of the rights leader. King's brother was with a white woman, Abernathy says, but "there was a black woman in the room as well, a member of the Kentucky legislature, and she had clearly come to see Martin."

Abernathy said that he left the room last, the next day. King asked him to attend to his bed with a third woman. "She's real at me,"

Abernathy quotes King as saying. "She came in this morning and found my bed empty." Abernathy says King and the women argued and that King, losing his temper, "knocked her across the bed." The odds, "It was more a shove than a real blow." Abernathy says King called out for the woman to stay but that she leaned to the target.

Hours later, King was dead—shot down by James Earl Ray. The event was as comical as any in 19th-century America. A two-faced leader had been laid, and there was no replacement for him. America seemed up for grabs—Vietnam, civil rights, a generation of alienated young people. Jack Kennedy was mentioned and then Robert Kennedy. The center seemed not to be holding. On some days, there seemed no center at all.

King heralds view Abernathy's account as the work of a man and disillusioned man—and, more so, a man who has suffered two strokes and perhaps is impaired. Some claim Abernathy died bravely on the night in question and that his recollection on the night of King's death was "great comfort" to those who revile King. Abernathy was, at the least, unhelpful. Noting that Abernathy reportedly has pledged to donate proceeds from his book to the civil rights cause, columnist William Raspberry, who is black, denounced the gesture "as the rough equivalent of John Dunning [the 700 pages of abuse into the collection book]."

We will never know for sure why Ralph Abernathy wrote so provocatively about his friend's last night. The one sympathetic with those loyal to the slain leader who consider the book insulting comes from a white pastor. Few leaders want to keep King's memory bright and secure—to save his name as they would have shied him from death, if only that had been possible. Abernathy says he wants nothing less.

The question remains: are King's private struggles relevant to his public role? How much should we know about King's personal life? Figures—pop stars and petty politicians—we need not know very much. But Martin Luther King was enormous, his importance will be remembered. To ignore his failures would be to diminish his greatness. The first demand of history is full disclosure.

A CRUSADER'S CHALLENGE

DR. HENRY MORGENTHAU PUTS HIMSELF AT THE CENTRE OF A FIGHT OVER ABORTION RIGHTS

Just the weekend before, as guest of honor at a Planned Parenthood Polio Day of America dinner in San Diego, Dr. Henry Morgentaler swore that when he returned home to Canada, he would challenge Nova Scotia's law banning short-term abortion hospitals. The abortion rights crusader kept his promise: five nights later, on Oct. 26, he stormed an assembly of media representatives and government police gathered in the Halifax Sheraton Hotel, telling them that, hours before, he had performed seven abortions at his clinic in the city's north end. According to Morgentaler, the patients came from all over Atlantic Canada and included a young Nova Scotia rape victim and a woman who had no money to pay his \$200 fee (which he waived after spending \$441 on her airfare from Newfoundland). He added, now a clear indication that the region is in dire need of expanded abortion facilities. Said a defiant Morgentaler of his patients: "They came as pregnant. They did not want to be pregnant. At the end of the procedure, they were not pregnant."

Morgentaler's disclosure and a declaration that he would perform more abortions in weeks to come ignited a fresh round in his 20-year battle to make abortion easily accessible to Canadian women from coast to coast, but for people opposed to abortion and the Conservative Nova Scotia government of Premier John Buchanan, who has been adamantly opposed to the establishment of freestanding clinics, it was clearly a call to arms. Within minutes, Halifax police served Morgentaler with a sum-



Buchanan: a hospital-only abortion law designed to keep Morgentaler out

mons for his admitted breach of the province's three-month-old Medical Services Act. The 46-year-old doctor was scheduled to appear in a Halifax court this week to answer a summary conviction charge that carries a maximum fine of \$10,000. Meanwhile, anti-abortion groups marched on Halifax police headquarters demanding that police close the clinic. Said Ann Mason Tomlin, executive director of an anti-abortion network group called *Concord For Life*: Nova Scotia "is a racist bastion. This is murder."

In addition, spokesmen for Nova Scotia's attorney general's department said last Friday that the department will likely seek an injunction to close Morgentaler's clinic. Said Peter Spence, executive assistant to Attorney General Thomas Melness: "We think we have a

pretty good chance of getting it." But Morgentaler made it clear that he looks forward to challenges from all quarters. Declared the doctor: "I write the government to prosecute me under their gross legislation in order to get a speedy court decision." And, issuing an appeal for public support for his clinic, he stressed that he wants a trial in court of what he termed "an ancient and cruel law—one of the most flawed pieces of legislation I have ever seen."

In fact, the Medical Services Act prohibits a variety of medical procedures other than abortion, including laparoscopy and extensive diagnostic techniques, many being performed outside hospitals. But Nova Scotia officials have made no secret of the fact that the main intent of the legislation was to keep Morgentaler

neighbors—and that Halifax is a poor choice for a freestanding clinic. Last year, doctors performed more than 1,500 abortions at 12 hospitals in the province—45 per cent of them carried out at Halifax's Victoria General Hospital. Said Mayor Ross Wallace: "I don't understand why the Morgentaler would select Halifax."

Some experts predict that the legal battle could take as long as three years. And the prospect of a legal discussion at the clinic at a residential area—already the site of abortion protests by people opposed to abortion—has already alarmed the residents of Bay McCully Street. "I think there are going to be a lot of smashed windows and torn-up lawns if all gets out of hand," said 47-year-old La West, owner of a house near the clinic. "And I think



Morgentaler: seven abortions despite a 'cruel law'

it's going to," added John Kerrigan, owner of two properties on the other side of the clinic. "It is going to ruin the street and it's unfair to my tenants. This could cause a war."

Last week, there were rumours that the fight could also extend to Ottawa. After months of consultation, the federal cabinet was likely to give final approval to some abortion legislation and table it in the House of Commons soon. That legislation, which is expected to allow abortion in the early stages of pregnancy while restricting it in the later stages, is unlikely to appeal to those who say that abortion should be totally unrestricted. And by allowing early-stage abortions, the legislation is also certain to anger those against abortion—and once again inflame the debate that has already raged for so long.

GLEN ALLEN in Halifax

National Notes

AN ABORTION'S ADVICE

Millions of dollars must be saved by tightening legislation in the tax system and doing additional studies of taxpayers. And for General Kenneth Dey said to his annual report to Parliament. Dey also looked out at the "terrific" volume of federal taxpayers who will have negative incomes.

NO'S EXAMINATION ORDERED

Justice Minister Douglas Lewis ordered Charles Ng, wanted in California, to face 15 months in prison in a preliminary hearing, estimated. The 26-year-old Ng is serving a 4½-year sentence for shooting a guard during a shoplifting attempt in Calgary in 1985. If he is convicted of the California killings, he could face the death penalty.

LEADERSHIP CONFIRMED

British Columbia Premier William Vander Zalm won a ringing endorsement from his Social Credit followers during a party annual convention in Vancouver. The endorsement ended, at least for the moment, questions about his political future that were raised after he lost a by-election in September.

FUSS OVER FUR

Newly elected Saskatchewan Mayor Joe Roman's refusal to wear a chain of office mounted on his lapels during his swearing-in ceremony earned a sharp rebuke from the Nationalist Territorial Government. Territorial Government Leader Dennis Patterson said that Roman's subordination of his own beliefs to the government's stance that the wearing of trapping furs is "cruel" to many people in the territories who depend on trapping.

A LETTER TO OTTAWA

Alberta Premier Donald Getty released the letter he sent to Prime Minister Brian Mulroney following Canada's first-ever debate election on Oct. 16. The letter included the names of the six candidates and the number of votes they received. Getty recommended that Mulroney appoint the winner, Reform Party of Canada candidate Stanley Waters.

A TRAIL TRUCK BRED

A semitrailer truck loaded with steel, as seen during a current drive, a heavy-duty truck in the Yukon, B.C., killing five people and injuring more than a dozen others as it crashed into a bridge and caught fire. The fatalities, the truck driver, Trevor Peters, 38, of Red Deer, Alta., three teenagers and the driver of a four-year-old car.

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[illegible]

A dark season of fear

Horror stalks a small New Brunswick town

The province's official travel guide describes the region as "remote and tranquil" and "the very heart of New Brunswick." But many of the fearful residents of the Miramichi River area, shocked by a mounting toll of violent, random killings and brutal murders, say that evil itself has made its home in New Brunswick's heartland. In less than five months after 75-year-old shopkeeper Jessie Plam was attacked and killed in her Charlottown home on May 29, an elderly man was shot and wounded in his home in nearby Newcastle, 170 km southeast of Fredericton, and a second Newcastle couple were beaten by an intruder. Then, on the morning of Oct. 14, firefighters discovered the battered bodies of Deane and Leslie Lee Daugherty, sisters aged 45 and 41, on the second story of a three-burning frame house in Newcastle. Said Newcastle fire chief David Keating of the town murders: "This is a small, slow-moving town. We have not had terror here like this before."

Both sisters had been sexually assaulted and beaten before their home was set on fire. And as fear and rumor swirled over the Miramichi

last week, many townsfolk in Newcastle had double-locked their doors, bought guard dogs, burglar alarms and guns, and altered the routine of everyday life as an effort to protect themselves. By the end of last week, the local Crime Stoppers faced had received a reward of over \$40,000, controlled by local citizens and townsmen, for information leading to an arrest. Meanwhile, a 20-year-old man was examined more than 350 times in the search for what they fear may be a serial killer.

According to descriptions given by survivors of attacks in Newcastle, police, their quarry may be a man, between 35 and 45, nearly six feet tall and weighing about 180 lb. For many townsfolk, a prime suspect in the recent spate of violence is 41-year-old Charlene Anne Legere. Legere was convicted of the June 1989 murder of 36-year-old

shopkeeper John Gledhill, of nearby Black River Bridge, who was tortured before he died. Legere had been serving a life sentence for that crime at the Atlantic Institution federal penitentiary near Newcastle when he escaped custody last May while on a hospital visit in Moncton—three weeks before the Plam murder. Rick MacLean, editor of the Miramichi *Leader*, said that people would prefer to believe that Legere, a 5-foot-10, 150-lb. slender leader of a gang of local criminals, is responsible. He added, "It's not him, then you have to assume it is your neighbor."

Police spokesmen acknowledge that Legere is a logical suspect, although they say they are not convinced that he is the murderer. Newcastle RCMP Sgt. Ernest Macdonald said that since Legere's escape, there have been at least 450 sightings of the fugitive, placing him everywhere from a Newcastle drugstore to the state of Texas. "We are not able to say conclusively that he has a home or that he is not here," Mulroney said. "We may have a suspect

of persons in the community who are equally dangerous."

As a result, police have appealed for a greater degree of help from local residents. "Serial Murder." Similarly, some police, in looking



Legere: suspect, escapee

GEOFFREY HALL/NEWCASTLE



Daugherty home: 'We have not had terror here like this before'

back information on this crime like Daugherty killings, as the Plam case and on the two most assaults on people in Newcastle. "The University of New Brunswick criminologist Colin Goff said police may have to engage without the public's full co-operation. Goff, who noted that many people in the area distrust the police, added, "People don't want to get involved."

Residents meanwhile have been taking steps

to protect themselves. Businesses report a surge in sales of security and lighting equipment and dogs. School crossing guard Doris Russell, a neighbor of the Daughertys who told Miramichi that "we are scared to death," keeps a handgun under her bedclothes. Still others are buying guns. George Casey, a gun-shop owner in nearby Baginville, said last week that he receives up to five calls a day from prospective gun buyers, compared with almost

none before the violence began. And around town veteran Reginald Hubbard, 69, another neighbor of the Daugherty sisters, said "I've got a shotgun for short range and a .303 for long distance and I know how to use them. There's a message out there."

Others have altered their lives in different ways. Few people go out alone after dark. Russell, who said that parents now regularly pick up their children from school, added, "When I go to sleep now I get a ride." Provincial government social worker Germaine Thibault said that she has been receiving calls from worried senior citizens wanting "people to move in with them." In some homes, people have been sleeping in shifts while others stand guard. Still others are leaving the area, either for weekends—when most of the attacks have occurred—or for longer-term elsewhere.

For his part, Newcastle Mayor Peter Murphy, whose own house was the target of an arson attempt in August, said that the town was prepared to hire extra police. After the Daugherty killings, Murphy also announced that this week's Halloween trick-or-treat celebrations would be banned and that police would question all door-to-door visiting card distributors were confined to community-organized parties—held indoors and with guards at the door. The people of the once-quiet community say that they hope that their children will be back on the streets before next Halloween.

GLENN ALLEN in Newcastle

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A BATTLE JOINED

OPPOSING VISIONS
OF CANADA'S FUTURE
FUEL THE DEBATE OVER
THE CONSTITUTION

The working atmosphere created by Quebec artist Mary-Joelle Fournier's watercolor backdrops in an Old Montreal mansion provided an attractive—if volatile—setting for the launching of a political book. But there Trudeau appeared determined to hotfoot the screens. With a crowd of TV cameras capturing every clasp of his shoulders and each demure characterization of his political foes, the former Liberal prime minister used last week's launch of *Les Mots* (Trudeau, *Picard*) (Alfred Lake, Trudeau Speeches), the French edition of a collection of his essays, to deliver a blistering attack on the Meech Lake constitutional accord. Declared Trudeau: "There was a very bad negotiation, which gave away more than Quebec reasonably deserved or even asked for." Holding a microphone with one hand and gesturing with the other, Trudeau pointed his finger at the "viceroyship" of some of the Quebec media and denounced the role of Quebec separatists, should the accord be rejected, as "a hoax." But he saved his harshest words for the future of politicians to stand up to Quebec's demands for special status: "I think they are all afraid of Quebec," Trudeau said. "I mean."

Battle: Trudeau's scathing indictment of Meech Lake left another major issue under the hammer of damaging blows that the accord has suffered in recent days. With the release last week of long-awaited reports from the Manitoba and New Brunswick legislatures, and extensive demands for changes contained in an Oct. 18 letter from Newfoundland Premier Clyde Wells to Prime Minister Brian Mulroney, the already unenviable odds of ratifying the agreement in June, 1990, deadline became substantially longer. Then, on Oct. 27, delegates attending the annual conference of British Columbia's governing Social Credit party voted almost unanimously to rescind the province's previous support for the pact.

Most damaging were Wells's criticisms and the support party from Manitoba, which attacked provisions in the accord's text. Both demanded changes to the clause that recognizes Quebec as a "distinct society" and that gives the Quebec government a special role in protecting that status. In response, Quebec Premier Robert Bour-



ass quickly rejected any amendments to the document. And with that disagreement, the Meech Lake debate crystallized into another wrenching confrontation between two competing—and apparently unresolvable—visions of Canada and Quebec's place in it.

When Mulroney and the 16 premiers of the day signed the Meech Lake accord in June, 1987, they were proposing that Quebec's particular need to protect its language and culture required extraordinary constitutional guarantees. That agreement amounted a vision of Canada, Trudeau had fought to defend throughout his 18 years in office: a vision of a federation in which no province had any advantage over the others. But since the Meech Lake accord was signed, provincial consensus on the new perception of the nation that it envisions

has evaporated. Since his government's election last April, Wells has emerged as a staunch defender of Trudeau's vision of the country as well as the most vocalizing champion of federal power and the sharpest critic of the so-called distinct-society provision. The Newfoundland premier has pledged to withdraw his government's support for the accord rather than allow it to grant Quebec powers that are different from those of the other nine provinces.

Draft: Similarly, Manitoba's minority government, which Conservative Premier Gary Filmon's minority government set up last March to draft a non-partisan response to the accord, declared last week that the distinct-society clause should be made clearly subject to the Canadian Charter of Rights and Freedoms—the centerpiece of the constitutional changes that Trudeau's government secured in 1982, which guarantees the same rights to all Canadians. In addition, the conservative argued that the distinctness of Canada's multicultural communities and aboriginal peoples should receive constitutional recognition on a par with that accorded to Quebec.

But Bourassa was clearly in no mood to retreat from the special status that he won for Quebec in the original accord. Indeed, that status was at the heart of the five conditions Bourassa's government spelled out in 1986, when it entered negotiations aimed at winning Quebec's signature on the 1982 Constitution Act. Those conditions, which Bourassa has repeatedly described as the province's "minimum" demands are that Quebec be regularly recognized in the Constitution as a distinct society, that a guaranteed power over immigration, that federal spending powers in areas of provincial jurisdiction be limited, that Quebec's right of veto be recognized, and that the province be given a voice

in the appointment of judges to the Supreme Court of Canada.

In the course of the bargaining that followed, Bourassa, who at five consecutive premiers, holds the reins of the distinct-society clause, the concessions to Quebec were extended in rapid measure to all the premiers. The result was a document that would end Quebec's constitutional isolation after its refusal to sign the 1982 act. But critics contend that by strengthening the powers of the province in Ottawa's capitol, the Meech Lake pact weakened national unity. As well, advocates of Senate reform and provincial status for the northern territories associate that the acceptance of a provincial veto over such future constitutional changes renders their aspirations all but unattainable. In Quebec, most observers say Bourassa, having secured additional powers at Meech Lake and having cast them on the line that the province was accepted in a non-partisan Convention, now has little—if any—room to maneuver. Said Vincent Lussier, a political scientist at Quebec City's Laval University: "Among Quebecers, national feelings are rising. Bourassa has no margin of maneuver on his original five demands."

Leaves: Last week, Trudeau was characteristically colorful in dismissing that assessment. "It's a not very honorable blanket call by the government of Quebec," he said. "I think the Quebec people are not separatist. I think they love Canada." And Trudeau was clearly disappointed that the current government of Quebec federalists has not spoken up to reflect that affection. Quebec politicians, he observed, "are terrified when they see an editorial which says, 'You're giving too much to the English and you're not a real Quebec.' The division within his own

or..." He attacked recent to undermine Liberal party over the accord (page 24).

Whatever Quebecers' sentiments towards the rest of the country, it was clear by the end of last week that the Manitoba report and Wells's letter had struck a crushing blow to Mulroney's hopes that the accord will be ratified. Indeed, while Senator Lowell Murray, minister of federal-provincial relations, held open a chance that the original deal might be rewritten, he left no doubt that he considered that a very remote possibility. He added, "It is difficult to envision how unanimity could be reconstructed among the 11 governments if even the holdout provinces have different priorities."

Language: Because the Prime Minister was at the Commonwealth conference in Malaga last week, and later at Costa Rica at a hemisphere summit meeting, the Tory strategy was restricted to warring with the New Brunswick conference in Ottawa. There, according to close advisers, Mulroney will try to rebuild the cooperative mood of the original Meech Lake discussions in the aftermath of a very act of the response. But some critics think Mulroney and Murray for not having acted earlier to demolish the deadlock. New Brunswick Inter-Governmental Affairs Minister Adia Lantry told *Maclean's*: "One month after we took power, we told federal officials that they had to take our objections seriously. But their minds were closed, and so were the doors to improving the accord."

Still, there were at least nine voices raised in defense of the accord last week. In a speech to a group of Ontario teachers in Toronto, new



Trudeau (opposite) Bourassa: power struggle

ing slip, the same cartoon appeared in the *Windsor Free Press*, provoking a storm of outrage among Manitobans. For his part, Pélissier called the cartoon "an insult to the people of Manitoba." And Sharon Carstairs, leader of the opposition provincial Liberals and a supporter of the Manitoba March, wrote, who was in Quebec to discuss the report with Bédarride, stormed out of a meeting with La Doucette's aides when, she said, the editor refused to apologize for what she called the "colossal" loss of the cartoon.

Meanwhile, many Quebecers expressed passionate disagreement with Trudeau's assertion that "it is a job just to pretend that English Canada is ignoring Quebec because of ignoring the March Lake accord." Still Lévesque's *L'Express*, for one. "There is a common front of public opinion in Quebec. I know people who are not ultraséparatists who have said in recent weeks: 'If there is another referendum, I will vote "yes" this time for independence.'"

Wade: Little in recent months has suggested that hardening of separatist sentiment in Quebec more than remarks made on Oct. 24 by Rev. Georges-Henri Lévesque. A spiritual father of Quebec's Quiet Revolution, his support of Canadian federalism in the 1960s and 1970s earned him the wrath of many supporters of independence. Now 86, Lévesque concluded, on the eve of the publication of a volume of his sermons, that English Canada's decreasing tolerance for Quebec's demands had led him to believe that independence was inevitable. He told *Montreal's* *Le Presse*. "The anglophones have themselves opened the door for Quebec to join the Canadian federation." His sermon had surprised many Quebecers. Said Robert Taillon, a key Quebec civil servant during the 1960s: "The equilibrium of forces in Quebec has changed. March Lake will be the great test of whether Canada will accept Quebec with all its peculiarities."

As the accord appears to founder, cracks are also showing in Conservative ranks. At last week's federal Tory caucus meeting, some Quebecers, including François Gagné, 56, the 10th-ranked Conservative Member, expressed criticism of their western colleagues' failure to ally



Chrétien: a silent front-runner

support for March Lake. Later, Gloria Steinem wrote in *Manitoba*: "It is not just Quebec MIs in go to Manitoba to sell March Lake. The English MIs from other provinces are not doing their job." But most Tories evidently continue to rely on Mulroney's ability to create a co-operative

spirit among the premiers when he gets those behind closed doors in Ottawa and month. Federal advisers are hoping that Ontario Premier David Peterson will defend the deal, allowing Mulroney not to appear to be the sole defender of Quebec.

But Wells has already denounced that closed-door approach to constitutional deal-making. And Manitoba's objections clearly worry the federal government. Even if Mulroney managed to convince Peterson to support the accord, the Manitoba premier's conversion would not be enough to win its passage through the Manitoba legislature—where Peterson's Conservatives held only a minority 24 of 57 seats. With Liberal Leader Carstairs and NDP Leader Gary Doer also opposed to the deal, it will be difficult to find a formula that will appear all three parties—which are expected to fight a provincial election campaign next spring. Doer told *Winnipeg* that the negotiators may be unable to roll back the accord's clause empowering Quebec to "pursue and promote" its distinct society. He predicted that the leveling point at negotiations will be another provision: one that banisters Ottawa's ability to promote national programs evenly in all regions.

Pohor: As the view of one federal official, who asked not to be identified, the debate over March Lake had already reached a new stage. He added, "We are into a poker game now." But, as Trudeau's return to the constitutional stage last week underscored, it was a game in which sharply different views of the country were at stake. And for Mulroney, who promised in 1984 to get Quebec to sign Canada's Constitution with "honor and enthusiasm," the final agreement to save the March Lake accord have already become a historic test of his political nerve.

BRUCE WALLACE in Ottawa

WAITING FOR A LEADER

When he appeared last week to defend his vision of Canada for the first time in public since March 1986, Peter Trudeau proved that he can still draw a crowd. But Trudeau's apparent demonstration of the March Lake accord was all the more remarkable because of the rarity of such attacks from Quebec's francophone politicians. Still Trudeau: "I was hoping some of the people who were around when we were in office would get up and lead the campaign against March Lake. Nobody is running Quebecers, the other way of Canada."

Some observers interpreted Trudeau's latest intervention as a sign of particular frustration with the politicians to whom many March Lake foes have placed their hopes. Former cabinet minister Jean Chrétien, but Chrétien—who is the closest

eldest front-runner in the federal Liberal party's leadership campaign, has kept a low profile during the current March Lake debate. Said Jean Lapierre, who is co-chairman of Montreal businessmen and Air Post Media Jr.'s all-but-declared opponent: "We are all waiting to see whether Mr. Chrétien will continue to trust that March Lake will deliver the country. The silence is getting maddening." But with eight months to go until the June 22 leadership vote in Calgary, Chrétien is clearly determined to stay out of the fight for now. Said Ottawa lawyer Edward Goldenberg, a key Quebec aide: "There will be a time and a place to make that kind of major speech. This is a long campaign."

But Trudeau's comments reflected a division within the federal Liberal party over the accord—and the vision of the country that it represents. Although Chrétien has said that he shares Trudeau's opposition to the pact, there are many Liberals—including current leader John Turner—who support the agreement. Said Lapierre, for one: "Peter Trudeau will

keep his hands off it for now. But the party must look at the reality of the country and see what that demands as well as the spirit of the accord." For their part, Mulroney's advisers, in their campaign to prevent that outcome, are trying to re-establish links with Premier Robert Bourassa's personal Liberals, many of which walked out of the federal caucus last week in the past two elections. Still, Mulroney insists that his level of involvement was far too low. "I have a vision of the country that recognizes the economic self-sufficiency of each region," he said.

Meanwhile, Trudeau's associates expect the former prime minister to continue to attack the accord. "It is to use that provocateur," he said. Thomas Awerbuch, Trudeau's assistant principal secretary, who now works for the Charles H. Bretherton Foundation in Montreal. For Trudeau, the battle point is for nothing less than his legacy in Canada.

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THE RETURN TO TWO SOLITUDES

BILINGUALISM PROVOKES PROTESTS

The decision provoked a curious form of resistance from at least one St. Catharines Daily Star. Decried, after the Quebec government passed Bill 178 outlawing the use of English on outdoor signs, James Sukowicz, a 40-year-old lawn care worker, immediately pulled his James, 14, from his Grade 4 French classes at Regan's St. Catherine Separate School. Then, in June, James's sister, Nella, 12, pick-

eted his language wars. But the greatest of the Bellevue family in just one of the more dramatic signs that the official bilingual policy, that Pierre Trudeau introduced as a prescription for national unity in being viewed as a heretofore new light in many parts of the country. While more English-Canadians than ever are sending their children in French immersion, even some strong supporters of official bilingualism say that the Quebec government—by taking

"distinct society." The second was Quebec Liberal Premier Robert Bourassa's decision to override a Supreme Court of Canada ruling and the charter of rights to impose Bill 178—as when that many critics saw as a footnote of how Quebec would use the powers it is seeing through the constitutional accord. Said University of Winnipeg political scientist Allen Mills, "There is a large middle group that takes the position that English-Canadians have gone the entire mile with bilingualism, and it is still not enough. All Quebec is doing is upping the ante, and there has to be a time when we say so."

Traditionally, some of the strongest support for official bilingualism has come from the francophone minorities outside Quebec. But many of the spokesmen for those groups now insist that Quebec governments have undermined that policy by failing to support the rights of francophones in speeches and court cases. Said Denis Clement, president of La société Franco-Manitobaine, which represents Manitoba's 51,000 francophones: "Quebec used to be the big brother and defender, but in the past 10 years, there has been an evolution. Quebec doesn't want any English-speaking protesters to muddy in their affairs, and the English-speaking provinces don't want Quebec to muddy in theirs."

Bolt: The view that Canada is again becoming a country of two solitudes is echoed by anglophone activists within Quebec. For his part, Robert Libman, a Montreal architect and leader of the Equality party at Quebec's national assembly, said that the report represented an English-Canada versus Bill 178 is understandable—despite his. Added Libman, whose party won four seats for its anglophone-rights position at the Sept. 25 provincial election, "It gets the blood boiling and it has reactionary repercussions."

Certainly, the number and popularity of openly antilingualist English-rights groups outside Quebec has recently increased. One of them is headed by Ronald Keith, a retired Toronto lawyer and national president of the 30,000-member Alliance for the Preservation of English in Canada. He said that his group, which was founded in 1977, has gained momentum both from Bill 178 and Ontario's Bill 8, the French Language Services Act, which comes into full force this month and will require government services to Ontario's 500,000 francophones (page 30). Declared Keith: "The federal government should speak to all Canadians in one language, and that language is English."

A group of 100 members in the Confederation of Regions party, which was founded in 1984 by Elmer Keston, a former auto-car dealer from Alberta. Then, in early September, some 2,300 people at the leadership convention of its provincial association in Edmonton. That followed a poll reviewed in June by Business Market Research of Edmonton, which showed that nine per cent



Nella and James Sukowicz: a family protest against learning French at school

of the same school for three days after learning that French would become compulsory through Grade 9 that day. Now, both children leave their respective classrooms during the three-week French lessons and do homework at the school library. Their father says that the defiance demonstrates the family's solidarity with the plight of Quebec's English-speaking minority. Explained the sister Sukowicz: "There is no way [Quebec anglophone] language rights can be denied and it is justified. The rest of us have to speak out on their behalf."

For many Canadians, it might seem distinctly odd that 26 years after Parliament voted to make the country officially bilingual, school-

children are still being divided into the constitutional measures to ensure that French is the sole official language of that province—but made the policy of two official languages harder to sell in the rest of the country. Observed Raymond Hébert, a political scientist at Manitoba's College du St. Boniface: "Quebec more and more is divorcing itself from what has become fundamental Canadian values over the past 50 years. That has created a backlash right across the country."

ALICE: According to several observers within English Canada and Quebec, two key events have contributed to the backlash. The first was the Meech Lake accord, which if passed would have Quebec's five demands for upgrading the Constitution, including recognition of that province's right to preserve and promote its

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of the respondents in New Brunswick, Canada's only officially bilingual province, felt that the "best response" came from only one per cent as a personal poll in February. According to *Business* president Leslie Dyer, CFB's appeal is a large part due to the fact that many anglophones that official bilingualism turns their job prospects.

Protest: That resentment of bilingualism was dramatically illustrated in late August, when the union representing 1,200 workers at Saint John Regional Hospital took out advertisements in *New Brunswick* papers. The reason for the campaign: to protest the opening of a new cardiac unit in which all employees will have to be bilingual. The ads reported the results of 500 questionnaires returned by the mostly English-speaking members of CUPW Local 823. Asked if bilingualism should be listed as a qualification for job postings, 481 replied "no" and only 19 said "yes." The ads also featured unsigned comments from 116 respondents. A typical response: "There is an English-speaking hospital here. Should it be one. Let them learn French!"

Another new political organization that has campaigned openly against official bilingualism is the Reform Party of Canada. Since its founding convention in November, 1987, the Reform Party says that it has signed up 27,542 members, mostly in the western provinces, and elected one MP, Deborah Gundy, as an Alberta legislator. In the November, 1988, federal election, Reform candidates placed second in 14 of the 38 Alberta ridings and picked up 15 per cent of the vote. The party secured its biggest swing yet on Oct. 16, when its candidate, Stanley Waters, 69, swept to victory in Alberta's Senate nomination election—the first such election held in Canada. If all-official bilingualism was not a major issue in the recent campaign, the party's position was plainly articulated by national leader Preston Manning within hours of Waters's victory. "French should be the official language of Quebec and English the official language of Canada," Manning told *Maclean's*.

Talk: One part of the country where the debate over official bilingualism has taken a unique twist is in the Northwest Territories. In March, 1986, during the dying days of the Trudeau administration, Ottawa announced that the official languages Act would apply to the Territories, which would 3,000 of the 33,000 residents are francophones. In response, the N.W.T. government agreed to pass its own legislation, making French an official



Labarre: Quebec's language laws have 'reactionary repercussions'

language, in return for \$18 million over five years from Ottawa for promoting the native languages of the Inuit and the Dene, who together make up about 60 per cent of the population. The federal legislation stipulates that by Jan. 1, 1991, all court and law cases must be translated into French or into either French or

Quebec. Quebec is important, Lester Bessett, vice-president of Gallup Canada Inc., said the figures show there is still considerable support for both official languages across Canada. "I think this is very important," Bessett said. "It speaks to why we have a country at all."

Schools: That view is echoed by Kathryn Manzer, national president of 14,900-member Canadian Parents for French, who notes that some 254,900 students are enrolled in French-immersion classes across Canada this fall—up one per cent over the previous school year. Said Manzer: "I don't find there is a strong trend away from bilingualism."

But Michael Adams, president of the Toronto-based *Immersion Research Group*, said that he is getting a very different picture of public opinion. Adams said that in a survey of 2,000 Canadians taken by *Immersion* over the past 25 years, official bilingualism at the provincial level has never captured majority support outside of Quebec. During that time period, he added, support for bilingualism in Quebec has dropped sharply. Adams concludes that most Canadians appear ready to accept "linguistic dualism," in which Quebec will be officially French and the rest of Canada officially English. Said Adams: "Essentially, René Lévesque's view of the country is prevailing over Trudeau's. It's a very real reality. Bilingualism." "It's not altogether accurate, at a little wider that Trudeau's comprehensive language legislation continues to be a source of controversy and conflict."

BREAN BERGMAN with GLENN ALLISON in Abbotsford, B.C.; MALISSA ADAMS in Vancouver; DALE AUSTIN in Regina; KERRY DOWDY in Edmonton and MARGO MOKHAMMED in Yellowknife

area and former government leader Nick Stelmach. "I am one of a million of the French because they are the majority in Canada," he said. "I am not a bilingual person. French is more significant because of the numbers."

Despite the regional tensions, however, political disputes on where public spaces now stand as official bilingualism. According to a Gallup survey of 1,661 Canadians done in October to September, more than 90 per cent of respondents in all English-speaking provinces believe that protecting anglophone rights in Quebec is "very important" or "somewhat important"—a view that was shared by 94 per cent of Quebecers. A substantial majority of the respondents—more than two-thirds—also said that protecting the rights of francophones outside



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UNCERTAIN SURVIVAL

FRANCOPHONES WORRY ABOUT THEIR FUTURE

For the Belcourt family of Pontrebec, Que., it is a daily struggle against the odds. As a francophone, they are fighting to preserve their language in a community where they are outnumbered five-to-one by English-speaking neighbors. The battle begins each morning in their modest brick side-split home, where Luc Marleau-Belcourt, 31, and Pierre Belcourt, 32, speak only French to their four young children. It begins the couple trade their French stories. In the family room are videos dubbed in French. The television and radio are tuned to French stations. So far, the strategy has worked: All of the children have learned to speak French. But with their eldest child, Max-Alexis, now 4½, his parents say that it is only a matter of time before the children begin speaking English too. Despite some attempts by governments to offer services in French, Luc says, "We do feel threatened. We do not even know if our kids are going to end up speaking French."

The Belcourts must do their best to teach their children to become bilingual eventually. But they say they fear that if the youngsters learn English too soon, they will quickly become assimilated and lose their French heritage. That fear is familiar to Quebec's 500,000 francophones, while many of the approximately 900,000 other French-Canadians trying to live in French outside Quebec. Many of them say that their task is made harder by governments and communities that do not offer services in French.

Luc: For its part, Ontario's Liberal government is scheduled to fully implement Bill 1, the French Language Services Act, on Nov. 18. That law, according to its preamble, is supposed to "guarantee the use of the French language" in most provincial government services. It designated areas of the province with the largest concentrations of French-speaking residents. But only days before the law was scheduled to be in place, many provincial highway signs and much government literature remained in English only, and government offices were short of French-speaking staff.

While both the Belcourts told Marleau that they are happy the province has passed Bill 1, they remain skeptical about how effectively it will ensure services in French. For one thing, they say that the only recourse available when a government department fails to provide French services is to take it to court. And if the service is given by an anglophone speaking French, added Luc, "then you will end up speaking in English." Luc Belcourt and that,

even after Bill 1 is in force, Franco-Ontarians will not be as well-served as Quebec's English majority. Quebec has several English minorities, but there are no exclusively French minorities in Ontario.

Report: The Belcourts, whose families have lived around the picturesque tourist town of Pontrebec (population 5,000) on Georgian Bay for more than a century, say that neither the prospect nor Ontario has shown much respect for Franco-Ontarians in the past. Luc recalled that her repeated attempts to as-

sessing servants in French in his family's right life skills, however, that "it is not because we want to cause problems, it is because we want to preserve what we have in, at least, not lose any more." His wife says that some English-speaking neighbors may not understand the reasons that the couple is so determined to speak French. But she said, "How would you feel if your children or your grandchildren could not even speak English?" She added, "It is not just a question of language. It is a question of being and culture."



The Belcourt family. "We do not know if our kids are going to speak French."

French at her local post office were often met by demands that she speak English, and last year, when Canada Post hired a bilingual postman. Said Belcourt: "This is a federal government offer." Then, two years ago, when Max-Alexis spent three days in a hospital with an infection and fever, his parents say that he was terrified by being in a situation where no one spoke his language. Declared Luc Belcourt: "It was so frustrating."

Struggle: Surrounded by English and faced with a daily struggle to find French services, many French-speaking Ontarians have abandoned attempts to communicate in their first language. Notre Luc: "Most people have stopped trying to get services in French. They opt for English because it is easier and it is spoken." Despite the fact that he and his wife can speak English, Pierre Belcourt insists that

Still, the Belcourts say that, despite gaps that exist in francophone services growing everywhere in the country, most of Franco-Ontarians' anglophones are more tolerant than they were 10 years ago. Then francophones in the community were threatened and attacked for demanding a French high school. Following months of heated protests, they were three better, five signs, and most of the English-speaking people in the area now understood that "all we want to do is live in French." Belcourt's husband: "I do not think we are asking that much in a country that is supposed to be bilingual." But with first national principle under increasing attack, the Belcourts and other francophones outside the borders of Quebec clearly face a battle against the odds.

GREG W. ENGLISH in Pontrebec



Russian Prince.
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Orange juice, tonic, tomato juice...the vodka that gets around.

A CRASH COURSE FOR MULRONEY

It was supposed to be a celebration of 100 years of democracy in the tiny, tropical republic of Costa Rica. Before lunch at government headquarters in San José, the Costa Rican capital, for the hemisphere summit, the agenda included discussions of debt, development and drug trafficking. It was also supposed to be the Mulroneys' first in the western hemisphere. With no major news developments expected from the two-day meeting on Oct. 27 and 28, the Canadian Prime Minister plainly anticipated maximum exposure for his expected announcement that Canada was reversing a 70-year-old policy and joining the Organization of American States (OAS). But what delegates scarcely anticipated Mulroney's move, he was quickly overshadowed by the only leader to come dressed not in a business suit, but in military garb. Speaking to a shocked meeting in San José, Nicaraguan President Daniel Ortega succinctly announced that he was cancelling the 19-month-old ceasefire between his Sandinista army and the U.S.-backed contra rebels. "We have to find a way to protect the lives of Nicaraguans," said Ortega. "This means the ceasefire has to end."

The Ortega bombshell shattered the summit's peaceful atmosphere and threatened to derail Nicaragua's presidential elections, scheduled for Feb. 25. Blaming many other deals with a rebel band of assassins and mercenaries, Ortega said that the Sandinistas would launch an anti-contra offensive on Nov. 3. That would end a ceasefire that began on April 1, 1985, and seemed a war that had killed more than 30,000 people since 1981. Ortega blamed the change in policy on a recent "terrorist offensive" by contra forces that he claimed had killed an anti-Sandinista soldier, but peasants registered to vote. "We don't consider," he said, "we have lost our heads."

Ortega accused the election—essentially a contest between him and the main opposition candidate, Violeta Chamorro—of being a sham. U.S. officials claimed that the Nicaraguan

NICARAGUA'S DECISION TO BREAK A CEASE-FIRE OVERSHADOWS A CELEBRATION OF DEMOCRACY

governments might use renewed fighting as a pretext to cancel the vote. And at a news conference the following day, U.S. President George Bush, repeatedly discussing Ortega as "that little man," called his announcement a "fantastic blow to democracy."

In Miami, canal director Azarudin Silvestre denied Ortega's charges of a rebel offensive,



Mulroney and Ortega sharing a toast—despite diplomatic difficulties.

but he asked for renewed U.S. military aid, which was suspended in 1986. But in Ottawa last week, an unofficial Canadian observer team, just back from Nicaragua, released a report that told a different story. After watching nine negotiations in Nicaragua over the past month, the observers alleged that, in

violation of the ceasefire, the contra had stepped up attacks aimed at disrupting the election. In the Managua region on Oct. 15, the observers, contra carried out eight separate attacks within two kilometers of a polling station. "The contra was," they claimed, "in violation of an existing treaty."

The group's two members of Odesa Canada, a joint front from Managua and a Canadian resident of Nicaragua—who pointed out that the U.S. government was funding and otherwise assisting Chamorro's candidacy. Bush has signed a bill estimating about \$100 million towards the cost of the Nicaraguan election, \$2.5 million of which will go directly to the United Nations Opposition (UNO), a 33-party alliance whose members in Chamorro

The Canadian observer team, which was sponsored by church and human-rights groups and led by Odesa Canada chairman Meyer Brummett, called the U.S. action an "intrusion on Nicaraguan sovereignty." It added, "American intervention continues in the open defiance to the attainment of free and fair elections."

Even before the hemisphere leaders left for security-minded San José, Ortega's plan to attend created consternation in Washington. According to diplomats in San José, Costa Rican President Oscar Arias, the host of the meeting and an architect of the Central American peace plan that resulted in the Nicaraguan ceasefire, had planned to conclude the summit by issuing a 10-point statement that would have scrapped other U.S. officials said Bush would sign no document that bore Ortega's signature as well. "Once he had plans and wanted a big declaration," said one senior Canadian official. "But the Americans



Mulroney addressing the summit, joining the club.

and, 'If you do, that we won't come.'"

Bush also refused to hold private talks with Ortega. Instead, the two leaders did meet briefly—and shake hands—on their way to the opening session. But U.S. officials refused to issue a photograph of Bush and Ortega together. Complained Bush "He's always asking us to not looking for some kind of photo op." Finally, meanwhile, held a 45-minute meeting with Chamorro and opposition leaders from Panama.

For Canadian officials, the flare-up in U.S.-Nicaraguan hostilities was a crash course in the diplomatic difficulties of bad governance. Just hours after Ortega announced that he planned

to break the ceasefire, he sat down with the other delegates to a dinner of resolutions of shared choices at the Miramar Theatre. There, he talked at length with Mulroney, seated one place away. The next day, when Mulroney posed for a photo opportunity with Colombian President Virgilio Barco beside the swimming pool at the country club where the summit was held, negotiators asked him to comment on Ortega's announcement. Replied Mulroney: "I haven't seen it." Afterwards, External Affairs Minister Joe Clark said that, although he had not been involved in remarks made by Ortega and Bush earlier that day, "we are certainly concerned about any development that would undermine peace in Central America."

Canadian participation took place against a background of criticism over Ortega's decision to join the OAS. For years, Canadian governments argued that the OAS was little more than an instrument of U.S. policy—and that joining would isolate Canada's independent voice in the region. Since 1910, when an ornate conference chair bearing Canada's coat of arms was set in the Washington meeting room of the Union of American Republics—renamed the OAS in 1948—Canada has refused to take a seat at the table. In the past, Canadian officials placed OAS members for voting in order American pressure to expel Cuba in 1962 and to applaud the 1965 U.S. invasion of the Dominican Republic. And although Canada has held observer status at the OAS since 1972, it has opposed some U.S. policies in the region, including the American invasion of Grenada in 1983.

But after an eight-month review of Canada's



Bush greets Arias, refusing to attend if there were a joint declaration.

World Notes

SELLEMAN IN LEBANON

The right-wing Lebanese Front, which contains Lebanon's largest Christian militia and political parties, announced its support of an Arab League-sponsored peace plan that Christian and Muslim Lebanese delegates had earlier agreed upon. The plan aims to end 14 years of civil war by giving Lebanon's Muslim majority a greater say in the country's Christian-dominated political system. The Christian army chief Michel Aoun, who launched a bloody war of liberation last March to expel an army of 40,000 Syrian troops from Lebanon, rejected the plan because it would delay a final decision on a future withdrawal.

ASSISTANT VICE PRESIDENT

The U.S. House of Representatives failed to elect President George Bush's nephew as a full-time vice president. Instead, it elected a full-time vice president, but the vote was 235 to 191, a few votes short of the required two-thirds majority.

A KILL BLAST

In Pasadena, Tex., a huge blast ripped apart a gasoline pump owned by Philip Petrosian Co. and sent off a fire that burned out of control for 12 hours. The explosion, which may have been caused by leaking hydrocarbon vapors, killed 23 workers and injured 199 people.

SHUTTO UNDER FIRE

Parliamentary opposition parties introduced a no-confidence motion in the Mexican Assembly, but appeared to be short of the 118 votes needed to oust President Manuel Blasco. Blasco's narrow government, Shuto 38, the first woman president of a Mexican nation, took power last December following the death of President Miguel Alemán. For a debate on the motion by the 327-seat chamber.

RAIDS SANCTIONED MURDERS

In an annual report on human rights, Amnesty International and the "extrajudicial executions," at least five government-sanctioned murders were carried out in at least two dozen countries and that more than half the world's governments returned or authorized procedures. Amnesty claimed that the killings occurred on a particularly large scale in El Salvador, Guatemala, Iran, the Philippines, Somalia, Sri Lanka, Syria and Uganda.



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rate on aluminum cans in Blue Box neighborhoods. And that's our goal for all of Canada.

Today we're recycling billions of cans continent-wide, using only 5% of the energy new aluminum takes. And soon we'll be doubling our

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Not only is aluminum recyclable, it's the only material that recycles to its original quality. So today's cans will reappear as tomorrow's cans —

not a feature of the landscape.

In recycling, packaging, design, automotive, aerospace, marine, housing, construction, medicine, research and composite citizenship, Alcan is aluminum to the world.

Scam 3 and Alcan 33
with regulations
apply to collection
Photo: Don Supren



ALCAN IS ALUMINUM

politics in Latin America and the Caribbean. Mulroney concluded that the time had at last come to join the regional club. "Canada's presence here today signals a new disposition in our relations with Latin America," he said in his annual speech last week. "We recognize that our interests are directly engaged here. We will no longer stand apart." In an attempt to answer his critics, Mulroney said that Canada would work to reduce its debt-ridden agriculture, and he insisted that the one had begun to play a more constructive role in regional development, dispute-settling efforts. "Canada," he declared, "is encouraged by the efforts made to revitalize and reconstruct the OAS." Mulroney also said that Canada would seek to increase its profile in Latin America with a package of new initiatives. These are expected to include the dispatch of high-level trade missions to the area, an increase in aid programs for the poorest Central American and South American countries, and further cooperation in the war against drugs.

The leaders of OAS countries were quick to endorse their own leader. Colombia's Barco said that Canada "will bring hope and tranquility to Latin America," and Argentina's President Carlos Menem told Mulroney's, "This is a very important move for the OAS." Nicaragua's Ortega welcomed Canada as a political counterweight to the United States. Said Ortega, "Canada has signaled that she will fight within the OAS for the rights of the small countries." Guatemalan general Julo Suresa rejected the idea that Canada would be forced to support the Americans against the Latin. "I don't see this as a soccer game," he said.

Still, in Canada, the critics remained as numerous as ever. Stephen Lewis, Canadian ambassador to the United Nations between 1984 and 1986, and who Canada appeared to be joining only to campaign for its lack of policies on major issues affecting the alliance, including debt management and U.S. interventionism. "Why go into an alliance when you don't have any policies," asked Lewis. "You risk being seen even more as an American ally," some critics also expressed Mulroney's glacial pace to increase trade in the region. Speaking in Singapore, two weeks ago—a speech led by his advisers as a major statement of Canadian trade policy—Mulroney said that Ottawa would concentrate resources on increasing trade in those areas: Europe, the United States and the Asia-Pacific region. He made no mention then of Latin America.

In Costa Rica last week, while leaders discussed issues that ranged from regional trade to Panama's de facto military, Ottawa's announcements—and the U.S. reaction to it—overshadowed the formal agenda. Most Argon called Ottawa's decision "regrettable," and added, "The ball is and should be in the political court, not the military court." For Mulroney and the other senior leaders, the pressure to choose sides seemed bound to increase.

HELENE MCKENNER is free journalist in Montreal. **MARC CLARY** is Ottawa and **MARY NEMETH** is Toronto.



Mulroney addresses a summit meeting as Thatcher hints domestic advantage.

■ MALAYSIA

A thorny dispute

Thatcher angers fellow Commonwealth leaders

While the mood among many Commonwealth leaders was palpably frosty, British Prime Minister Margaret Thatcher remained openly confident. "It is no use ignoring it," Thatcher said on the final day of the Commonwealth summit in Kuala Lumpur last week. "There I am very sorry for the 48." With that, the British leader abruptly defended her decision to break with the rest of the 46-member organization over the perennially contentious issue of South African sanctions. But although she tried to minimize the significance of the rift, other delegates took a more pessimistic view. Most Commonwealth watchers said that Britain's influence in the association, already weakened by past disputes over sanctions, suffered a further setback as a result of Thatcher's decision to refuse a majority report sharply critical of the other leaders' position. Equally important from Canada's perspective, the decision drew a wedge between Thatcher and Prime Minister Brian Mulroney, who has long been one of the British leader's most ardent admirers.

In fact, it was not the substance of the British statement that annoyed the other delegates as much as the manner in which it was released. Just one hour before Thatcher's officials circulated the document to reporters, Commonwealth secretary general Sir Shridath

Ranghoo claimed publicly that the meeting had produced a clear degree of consensus among the participants. Shridath Ranghoo, "Quite frankly, I could not have hoped for a clearer or stronger message" on South Africa. He noted that while Britain had departed from the commonwealth's call for universal financial pressure on Pretoria, it had agreed to a clause endorsing the continuation of existing sanctions. Shridath Ranghoo said the other leaders knew that Thatcher was about to release her own declaration. In it, the British announced the other members, saying that sanctions had only strengthened the resolve of white South Africans to preserve apartheid.

In South Africa, Foreign Minister Bofelo (P.W.) Botha applauded Thatcher's lone stand. He added that "sanctions can only further delay the process of negotiations" between the white minority government and the country's de facto 85-million-strong black majority. And British's arguments were echoed by many South Africans—even Mandela, internationally known of Pretoria. Meagooth, Buthe, chief minister of the Kwazulu homeland and leader of six million Zulus, said that sanctions were likely to cause "deepening white racializing hostilities."

And in a scathing editorial, Johannesburg-based *Shewan Ng*, an influential daily newspaper, heaped abuse on Mulroney and Australia



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WORLD

its Prime Minister Bob Mulroney, who led the entrance of Thatcher at the Commonwealth summit. Whatever Thatcher's duties, said the newspaper, at least she "has the good sense to recognize fundamental changes when they occur." The paper added, "That is why she turns over even the Hawk and Mulroney, even if she turns out to be the real boss here."

According to a senior Canadian official, Mulroney was outraged by Thatcher's actions but initially he did not want to air his objections during the leaders' private discussions. The following morning, however, Mulroney's Prime Minister Mulroney's Minister, the same day, began a session on economic issues by asking if any of the leaders wanted to comment on the previous day's events. After a prolonged silence, Australia's Hawke "slowly and reluctantly" raised his hand to speak, the official said. "The atmosphere in the room was absolutely electric," he added.

While Hawke spoke, Mulroney reached for a napkin and began wiping down a plate from the menu that was to be served. Mulroney then told Thatcher that it was the first time he had taken part in an international meeting "where you sign a document at 5 and repudiate it at 6," British Mulroney. "When you join an international organization, you pay a certain price for solidarity."

Outside the meeting, Canadian officials told Mulroney that Mulroney's response to Thatcher—he charged that she had "blatantly" lied—was badly timed and part by long-standing Canadian complaints about her conduct at international summits. These objections result from the British practice of holding off-the-record meetings for journalists during which British officials often make deniable remarks about other delegations. Said one official: "They use their spokesmen to put out statements that are designed to hurt us but which we cannot hold Mrs. Thatcher accountable for."

For some members of the Canadian delegation, the controversy in Kuala Lumpur recalled a dispute between Canada and Britain at the 1967 Commonwealth summit in Vancouver. Then, unforgotten British officials tried to discredit Mulroney by displaying statistics that showed an increase in Canadian trade with South Africa between 1965 and 1966. The British failed to mention that trade between the two countries had

fallen after the adoption of new Commonwealth sanctions in 1966.

Still, the clash between Britain and the rest of the Commonwealth in Kuala Lumpur may have played to Mulroney's domestic advantage. In contrasting Thatcher over her separate statement, he demonstrated a willingness to stand up to a close ally as an asset that is an important component of Canadian foreign policy. In the past, opposition critics have accused him of excessive subservience to his relations with other world leaders, in particular Thatcher and former U.S. president Ronald Reagan.

Privately, members of the Canadian delegation also expressed hope that Britain's isolation in Kuala Lumpur would enable Canada to play a more influential role in the organization. "There is no doubt that we have more influence in the Commonwealth as a result of our work on southern Africa," said one delegate. "Does that help as an asset, like the GATT [General Agreement on Tariffs and Trade] negotiations? Clearly, it does, at least in cases of pursuing the general spirit and intent between Canada and other nations." Commonwealth countries comprise almost a third of the total membership of the United Nations, and Canada's desire to build bridges within the organization is probably well-founded.

ROSS LAYTON in Kuala Lumpur and
 CHRIS BRAMMER in Cape Town



Harsh critic of Thatcher

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A question of judgment

Resignations plague Thatcher's Tories

For the past several weeks, Prime Minister Margaret Thatcher's Conservative party had been struggling to regain popularity in the face of a newly confident Labour Party opposition. At their lowest confidence at early October, the Tories tried to showcase the cabinet team rather than the increasingly unpopular prime minister herself. But by the end of last week, their efforts had failed spectacularly. After months of battling behind the scenes with Thatcher and her economic advisers, her long-serving finance minister, Chancellor of the Exchequer Nigel Lawson, abruptly resigned. His departure cast doubt over the management of Britain's troubled economy and it forced Thatcher to shuffle her senior ministers just three months after she had undertaken a major reorganisation. It also crystallised widespread public concern over Thatcher's increasingly autocratic style of government.

Lawson's sudden departure would have

been a major blow to Thatcher's government under almost any circumstances. At 57, he had been chancellor since 1983 and he was largely responsible for engineering Britain's economic revival. But Thatcher's critics quickly charged last week that the way in which Lawson left the government compounded the damage. For more than a year, he had been embroiled in a running argument with the prime minister over her personal economic adviser, Sir Alan Walters, over key aspects of economic policy.

That dispute raised doubts over whether Thatcher fully supported Lawson's policies, and it fuelled opposition claims that she will not tolerate strong ministers who disagree with her. Said Labour Leader Neil Kinnock, whose party is coming right to 10 points ahead of the Conservatives in opinion polls, "Her style of government, responding to advisers and critics, makes it almost intolerable for any minister worth his or her salt. It's complete managerial incompetence."

The disagreement that led to Lawson's resignation centred on how Britain should manage the relationship between sterling and other major European currencies. For more than a year, Lawson had let it be known that he favoured formally linking the pound to other currencies by joining the Exchange Rate Mechanism (ERM) of the European Monetary System. That, many economists say, would help reduce Britain's inflation—now running at an annual rate of 7.6 per cent—about double the European average. But both Thatcher and Walters opposed such a move. Tension between Lawson and Walters came to a head in mid-October, when the *Financial Times* of London disclosed the contents of an article that Walters had written for the December issue of a U.S. journal, *American Economist*. In it, he dismissed the ERM as a "half-baked" system.

When Thatcher returned from the Commonwealth summit in Malaysia last week, Lawson told her that he was considering resigning during three meetings last Thursday, she unsuccessfully tried to persuade him to stay. And in his "Dear Margaret" resignation letter, he left no doubt about why he was going. He wrote "The successful conduct of economic policy is possible only if there is—such as seems to be in full agreement between the prime minister and the chancellor of the exchequer. This essential requirement cannot be satisfied so long as Alan Walters remains your personal economic adviser." Just two hours after Lawson tendered his resignation,



Lawson and wife Thérèse getting

Walters, who was in Florida, telephoned Thatcher's office and resigned as well.

To replace Lawson as chancellor, the prime minister turned to 46-year-old John Major,

whose she had appointed foreign secretary only last July. Major is a low-key politician with an unlikely background for a Tory finance minister. He has worked as a trustee actor in a circus and the family lived for several years in a tiny apartment in Buenos Aires, one of London's poorest areas. Major himself spent two years as unemployment insurance in a young man before getting a job with a bank.

The man who sparked the sudden crisis in Thatcher's government has a similarly unusual history. Walters, 63, is the son of an impoverished grocery clerk who was also an ardent Communist in the 1930s. In his controversial article for *American Economist* he acknowledged that his early life was unimpressive; he even failed mathematics at school. Despite that, he became a conservative economist serving as Thatcher's economic adviser from 1981 to 1983, and then became a professor at Johns Hopkins University in Baltimore. When he returned as an adviser in a part-time basis last March, however, he quickly clashed with Lawson.

Thatcher's critics say his habit of relying on personal advisers in key areas of understanding her senior ministers and ensuring that the consensus ran his cabinet. They noted that Lawson's departure took place only four days after Thatcher apparently overruled Major, at that point still her foreign secretary, by issuing a statement at the Commonwealth conference that appeared to undermine a joint declaration favouring increased sanctions against South Africa.

It was Major who had negotiated the declaration with other countries. Said Peter Hennessy, author of several books on Thatcher's years in power: "Having handbagged the Commons-worth, she comes back and handbags the chief officer of the exchequer. It's quite breathtaking."

Other observers argued that Thatcher's handling of the disagreement between Lawson and Walters was simply inept. Political commentator Peter Jenkins, author of *Mrs. Thatcher's Revolution*, a study of the prime minister's years in power, noted that, by refusing to fire Walters before Lawson walked out, the prime minister ended up losing both men. wrote Jenkins in the London daily, *The Independent*: "It was her most disastrous day's work in 10 years."

In public at least, Tory MPs last week insisted that Thatcher's position remained secure. Still, she faces an uphill struggle in her bid for a fourth term in office. Britain's economy is suffering not only from high inflation, but from high credit costs, and Lawson's resignation increased pressure on the pound, which has declined by five per cent against other major currencies in recent weeks. Thatcher, who has served a longer continuous term than any prime minister since Lord Liverpool in the 18th century, has been implicated in more difficult situations. But those problems are now overshadowed by fresh doubts about her judgment—and even her competence.

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THE EASTERN BLOC

The 'Sinatra Doctrine'

Moscow's allies do it their way

In case any doubts remained, Soviet leader Mikhail Gorbachev said at a summit last week the Kremlin has "no interest in political rights" in matters with the dramatic changes under way in the satellite states of Eastern Europe. And in case the message still did not register with some Westerners, Soviet foreign ministry spokesman Gennadi Gerasimov gave it a show-business gloss: Gorbachev's policy of noninterference could be called the "Sinatra Doctrine." You know the Frank Sinatra song I Did It My Way?—well, Hungary and Poland are doing it their way.

That colorful reaffirmation of the Kremlin's hands-off attitude toward reform in Eastern Europe came during a state visit by Gorbachev and his wife, Raisa, to the Soviet Union's closest neighbor, Poland. Meanwhile, the ferment in the Eastern Bloc continued unabated: Hungary formally declared itself a socialist democratic republic, but of Communist control. The new leadership in East Berlin permitted protest demonstrations and, for the first time in the 40-year history of the German Democratic Republic (GDR), opened talks with opposition forces. But elsewhere, hard-line Communists continued to stand firm against reform.

In Sofia, the Bulgarians capital, police beat up and detained members of a group of peaceful demonstrators. And, on a visit to Vienna, Czechoslovak Prime Minister Ladislav Adamec signaled that he would not tolerate the sort of mass protests that brought down the October dervish of East German President Erich Honecker. Said Adamec: "I am a proponent of order and discipline." At week's end, Prague riot police attacked a crowd of more than 10,000 Czechoslovakian chanting, "We want another government."

Last week, the Soviets made other moves apparently aimed at improving East-West relations. During his visit with French President Mitterrand, Gorbachev announced that the Soviets would remove all their nuclear

submarines from the Baltic Sea by the end of 1990. That followed by two days when many observers considered to be a landmark speech by Foreign Minister Eduard Shevardnadze to the Supreme Soviet (parliament) in Moscow. In it, Shevardnadze characterized the Soviet stance toward non-proliferation of nuclear weapons as "a gross violation" of law and ethics. As well,

for its apparent sluggishness in responding to Gorbachev's program of glasnost (openness) and perestroika (restructuring). While House spokesman Martin Frost said he was disappointed Gorbachev in "a dramatic way," throwing out "one arms-control proposal after another." But in speeches over the past two weeks, U.S. Secretary of State James Baker has praised Gorbachev's policies. Any doubts about Gorbachev's ability to reform, he said last week, were "mere issues, not facts, for us to seize the present opportunity" and conclude new arms agreements. And Baker reportedly expressed a speech by deputy national security adviser Robert Gates because it gave a pessimistic view of Gorbachev's survivability.

As Cold War tensions continued to recede, Western countries moved to strengthen economic aid to the countries emerging from decades of draconian Marxist rule. Most so-



Hungarians in Lajos Kossuth Square, a republic on the 32nd anniversary of the 1956 uprising

he admitted that the Kremlin had violated the 1972 Anti-Ballistic Missile treaty with the United States by building a giant radar station at Krasnoyarsk in Soviet Central Asia. Shevardnadze also defended Moscow's willingness to negotiate up and to the 1980 and Warsaw Pact military alliances.

Washington was clearly not ready to take such a fundamental step. But the state department replied with a statement offering to work with the Soviets "to preserve their security through political rather than military means." Observers said that response reflected the Bush administration's growing confidence that Gorbachev is sincere in his desire for widening arms and troop reductions. Over the past several months, the administration had come under sharp criticism at home and abroad

for its apparent sluggishness in responding to Gorbachev's program of glasnost (openness) and perestroika (restructuring). While House spokesman Martin Frost said he was disappointed Gorbachev in "a dramatic way," throwing out "one arms-control proposal after another." But in speeches over the past two weeks, U.S. Secretary of State James Baker has praised Gorbachev's policies. Any doubts about Gorbachev's ability to reform, he said last week, were "mere issues, not facts, for us to seize the present opportunity" and conclude new arms agreements. And Baker reportedly expressed a speech by deputy national security adviser Robert Gates because it gave a pessimistic view of Gorbachev's survivability.

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Changing the Landscape

written offer of aid to Poland and Hungary. Many West Germans agree that such contributions are not nearly enough. The Polish economy is widely reported to be at the point of collapse, with prominent officials admitting that inflation could reach 1,000 per cent by the end of the year, widespread shortages of even basic food supplies and a foreign debt totalling \$45.4 billion. Said Volker Klotz, secretary-general of West Germany's ruling Christian Democratic Union: "If we fail to support the reform movement, what hopes are left for Poland? It's the same with Hungary. If we want democracy to succeed, they also need democracy."

In Hungary, the government closed Oct. 23—the 33rd anniversary of the 1956 uprising, which was crushed by Soviet tanks and to which as many as 32,000 people were killed—in a gesture still dedicated to "communist democracy and democratic socialism." Two weeks before, the ruling Communist party had dissolved itself and re-emerged as a social democratic party. It has pretensions to reform in the popular will at multiparty elections next spring, the first since Hungary became a one-party Communist state in 1949. More than 180,000 people gathered in Lenin's Kossuth Square, facing the parliament buildings in Budapest, to hear last week's declaration of Hungary's early new independence. Some cheered.

"Gorbachev," clearly believing that Gorbachev's liberalizing policies had made free country's transformation possible. But away in the crowd could not suppress their memories of 1988—and cheered "Kissas go home!" Three days later, the leaders of Communist East Germany set down for their first substantive talks with opposition activists. Those talks came in the wake of sustained and massive anti-regime demonstrations, which on Oct. 18 led to the resignation of Honecker, the 77-year-old party leader. Honecker was replaced by 50-year-old Egon Krenz, whose beliefs are reportedly as rigid as his predecessor's. His style, however, is more relaxed and, with his permission, East Berlin Communist party leader Günter Schabowski last Thursday met two leaders of New Forum, the leading reform movement that has suddenly emerged as the principal opposition group in the southern city of Dresden, local party leader Hans Modrow announced an open-air mass meeting of 100,000 citizens demanding democratic reforms.

After last two-hour talks with Schabowski, New Forum co-founder Jens Rind, a biologist, told reporters that he believed the authorities were serious about starting a dialogue. "We will see," said Rind, "but I would say optimistically that I have a positive impression." About

60,000 of East Germany's 16.5 million people have fled to the West in recent months, and unrest under hard-line Communist rule has been greater than at any time since Soviet troops repressed a popular uprising in 1953.

There was even discontent within the East German political establishment itself. When Krenz was elected president on Oct. 24, for the first time some parliamentarians cast a "no" vote and others declined Krenz quickly promised that all crimes would soon be brought to the fore to be tried, but last Friday, his government declared an amnesty for all those who have fled, or tried to flee, to the West, as



Krenz greets the Gorbachev: a hands-off policy

well as for nationalist protests against for having taken part in street demonstrations for political reform. But such measures will clearly not satisfy the New Forum leaders. While careful not to describe themselves as anti-Communists, they have called for far more comprehensive reforms. Those include an end to media censorship, the liquidation of opposition groups, free elections and a relaxation of the rigid ideology taught in the nation's schools. Most observers say that New Forum is unlikely to achieve these objectives under a regime headed by Krenz.

Still, in allowing mass demonstrations to continue, relaxing travel restrictions, declaring an amnesty and sanctioning talks with New Forum, Krenz has already ventured further along the reform road than his counterparts in Czechoslovakia, Bulgaria and Romania. What would happen in these remaining hard-line Communist countries could well provide the next chapter in the unfolding story of the de-Communistation of Eastern Europe.

JACK BIERMAN with CARY GOLDBERG in Moscow; JULIA CLARKE in Budapest; RJE MASTROMANN in East Berlin and correspondence reports

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The damaged Bay Bridge faces another disaster

provide the quake-stricken area with \$2.3 billion in emergency relief assistance. In all, California Gov. George Deukmejian ordered the immediate release of \$143 million in state funds to local governments. Deukmejian has also ordered an independent investigation to determine the cause of the quake's most lethal disaster: the collapse of a two-kilometer urban stretch of Interstate 880 in Oakland that killed at least 39 people.

While investigators examined the remains of the two-lane highway, rescue workers drilled more than 300 holes through the concrete slabs and used flood-light cameras to scan hidden areas for more bodies. Law enforcement officials said last

week that there appeared to be no more bodies in the rubble and no hope of finding anyone alive. Buck Hebe, the last person rescued from the rubble after spending nearly four days trapped in the car, was found in a serious condition at an Oakland hospital at week's end. Doctors said that Hebe's prognosis was still guarded but that he was making slow progress. Elsewhere, hundreds of cars remained in crushed locations. In Menlo Park, an apartment community 35 km south of San Francisco, the earthquake damaged nearly two-thirds of the houses and last week many people were still camped in tent cities in open fields. But officials, who said that there were potential health and safety dangers from unsanitized food and open cooking fires, urged residents to move to Red Cross shelters. Some were forced inside by the rain. Decatur Woodside resident Charlotte Barfield, 51, is a wife, mother, and a "survivable day."

In San Francisco, the quake's Marina district was hit worst. After initial inspection, only 2,000 of the area's 55,000 residents stayed in their homes. But at midnight, authorities told those remaining, too, that they had to leave. A spokesman for the Pacific Gas and Electric Co. said that the entire area had to be evacuated while the company repairs 11 miles of underground gas lines, a process that could take 10 weeks.

Residents were given 15 minutes to clear out their belongings. But nearly 1,300 owners refused to leave the Marina district, and some of them refused to move out. Frederick Grogan, 74, said

that he stayed because he was afraid of boaters. With no power to cook, he lived on bottled water, fruit and cold coffee. "It's my home," Grogan said. "If it falls down with another earthquake, I'm going with it. They would have to take me out in handcuffs."

In working-class Oakland, across San Francisco Bay, several hotels for transients in the downtown area were damaged, forcing out about 800 elderly and disabled people. Some could afford to rent other accommodations, but do they have friends who can take them in? Of the 2,800 people made homeless in the Oakland area by the quake, 700 were still living in Red Cross shelters at week's end.

Last week, officials with the U.S. Geological Survey warned that the quake may suffer another significant earthquake before Christmas. They also said that rockfalls and mud slides remained potential hazards throughout the region, with quake-weakened hillsides in some areas likely to slide in heavy winter rains. Jim Berkland, a geophysical geologist who was videotaping traffic stoppages because he predicted the California earthquake only days before it happened, said that another quake will hit the region between Nov. 11 and Nov. 18. Berkland said he bases his prediction partly on the number of yips that risk arise from him, but the seismic safety agency questions his as a transient seismologist. But Berkland's seismology put him on leave in Santa Clara County last week for publishing his dire predictions.

While Berkland's methods are unorthodox, California seismologists conceded that they have no certain way of predicting earthquakes. In fact, they said that the Oct. 17 quake, which officials last week upgraded to 7.3 on the Richter scale from 6.8, had left carbon cracks on the earth's surface that twisted and turned in unexpected directions and were completely unlike the clean gashes scientists had expected to find near the quake's epicenter. That raised the possibility that previous assumptions about the frequency of major earthquakes, which had partly been based on the visible effects on the earth's surface, may have been false.

Meanwhile, at quake-stricken Redlands, California, the California theater renewed concerns about how well authorities have prepared for a similar occurrence—especially after a minor quake hit Vancouver Island last week. Hundreds of B.C. homeowners scrambled to purchase earthquake insurance. A spokesman for the Salco Insurance group said that in Richmond, near Vancouver, and that the company received 300 requests for quake insurance in the week after the San Francisco disaster, up from an average of five weekly requests. Property owners usually pay an annual fee of \$50 to \$180 a year for earthquake coverage.

Insurance agents said that the risks on insurance in British Columbia will likely recede as the memory of the California earthquake fades. But for southern Californians, many still picking up the pieces of their shattered lives, the memories—and fears—will remain.

MARY NEMETH with ANNE DENNIS in San Francisco and MAE QUINN in Vancouver



San Francisco's downtown skyline is surrounded by a sea of rubble in the aftermath of the quake.

WORLD THE UNITED STATES

Picking up the pieces

After the quake, many people are fearful

At 5:04 p.m. last Tuesday—nearly one week after the massive earthquake devastated northern California, killing at least 63 people and leaving more than 15,000 homeless—church bells pealed throughout San Francisco. The bells, Mayor Arthur Agnos said, "help remind even those hardest hit by the earthquake how fortunate we all were to survive." And symbolically, they marked the city's efforts to return to normal. Residents went back to their schools and jobs, crowded onto airport-transit trains to avoid bridges and highways damaged by the quake. And they made their way to San Francisco's Candlestick Park to listen to the San Francisco 49ers' first game after a 10-day interruption. But, despite the quickening pace of daily life, many residents remained openly fearful that another disaster would strike.

Those fears were fueled

by more than 2,500 tremors and aftershocks that rumbled through the region, and by landslides, touched off by the tremors and heavy rains in the mountains south of San Francisco. Authorities estimated that the earthquake caused about \$12 billion in property damage. President George Bush signed legislation to



Oakland couple applying for government aid: \$12 billion in damage

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REGAINING ALTITUDE

Many Canadian travel agents, Bismarck's Dennis Casseloff says that it is becoming increasingly difficult to find airline bargains for his customers. Casseloff, president of Casseloff Travel and Recreation Plan Ltd., adds that his company has been hurt by the disappearance of the fierce airline competition that just a year ago had aggressive upstart Westair Inc. to slush around as it took on titans Air Canada and Canadian Airlines International Ltd. on Canada's newly deregulated air routes. But the battle was short-lived. In January, Canadian's parent company, Calgary-based PRA Corp., bought money-losing Westair and last week announced that it was selling off Westair's routes first of 15 per month. Since the takeover, it will only use Westair's equipment, PRA has already increased the price of a one-way full-cabin ticket from Edmonton to Toronto by 14 per cent, to \$471, from \$408 a year ago. Now, as a handful of carriers regain their control on the skies above Canada and the

FEWER AIRLINES ARE NOW CHARGING HIGHER FARES IN THE DEREGULATED SKIES OVER NORTH AMERICA

David Stoen, Casseloff predicts that "prices will continue to go up, up, up, because there's no more competition."

PRA made its decision to sell the estimated \$760 million worth of aircraft less than a month after it announced that it was formally merging of Westair's operations with Can-

adian's in an effort to control losses at Westair. But for consumer activists who maintain that mergers and buy-outs in Canada and the United States over the past four years have reduced competition in the industry and resulted in higher fares, this disappearance of Westair provides another reason for concern.

Recent airline charge-bigger fares was out the outcome that successive Liberal and Conservative transport ministers placed when they began dismantling Canada's air industry in the early 1980s. Even before the National Transportation Act took effect in January 1986, allowing Canada's airlines almost total freedom to set their fares and routes, the airlines themselves were already preparing for the worst type of cutthroat competition that had begun a decade earlier as the United States.

Since then, Canadian passengers have reaped the same benefits from deregulation as U.S. travellers—deep fare discounts, more flights to world destinations and lucrative frequent-flyer bonuses. But in both countries, the frenzied price-slashing—fierce between Toronto and Vancouver led to as little as \$399 return, compared with the current regular economy fare of \$1,130—pulled consumer airlines, including Westair, to the brink of bankruptcy. Now, executives with the small group of surviving carriers say that they must give even larger at home in order to maintain their standing in the increasingly competitive global marketplace.

Last week, however, a new devel-

Air Canada and Canadian jets in Vancouver disappointing profits

tic airline geared up to battle PRA and Air Canada in Ontario, Quebec and Atlantic Canada. Montreal-based Jetair Inc., a 43-year-old regional carrier affiliated with PRA, told it bought an PRA 31 per cent stake last month, more than doubled the number of its daily flights between Toronto and Montreal, to 24 from 16. And this week, it is raising that number to 40 as it seeks to catch up on one of Canada's most lucrative routes. But Jetair president Michel Labadie says that he will compete with Air Canada and Canadian on service, but not on price. He added, "We are not going to repeat the mistakes of others."

Still, Labadie faces a formidable challenge. PRA's purchase of Westair in January left Canadian and Air Canada in control of 96 per cent of the domestic passenger market, split roughly evenly between the two airline giants. The statistics show that customer savings as far as Toronto regular flyer Andrew Roman, who announced a highly critical study in May entitled *Airline Deregulation in Canada: Why It Failed*. Roman says that there is no incentive for the two dominant airlines to keep their domestic fares low. He predicts that Air Canada and Canadian will continue to eliminate many of their deep discounts as an attempt to recover from the two years of punishing fare wars with Westair.

Air Canada and Canadian also possess other critical advantages over any domestic competitor. The two giants already own the computerized reservation systems that more and more 10 travel agents in Canada use to obtain flight information and to print tickets. They also have

selective frequent-flyer plans that reward travellers for their continued loyalty with free trips and lower prices for hotels, meals and rental cars. And they have established access to the best landing slots and terminal facilities at Canada's crowded airports.

But executives with Canadian and Air Canada, as well as some industry analysts, vigorously dispute the one-way activist's conclusions. Rhyon Eylon, for one, says that "if the moment there is more intense competition between carriers than there ever was," he added that, 10 years ago, government-owned Air Canada resembled a monopoly in the domestic passenger market, and regional carriers dominated most other routes. Now, two carriers compete on most routes—Air Canada and Canadian, Eastern and Westair, or their affiliated regional carriers.

Still, Eylon conceded that faster domestic fare increases are inevitable as his airline and Air Canada speed billions to replace their older aircraft. He said that for much of 1988, customers benefited from fares that were driven down both by PRA's uncontrolled but competitive slugging prices. Still Eylon, "The fares in place just could not be matched. They were dominated to the point where even the buses were worried about the competition." PRA last month reported that profits for the first nine months of this year rose to \$17,000 from \$34.4 million for the same period last year. Eylon said that for all of 1987 he did not expect the company to earn an overall profit. But, as Air Canada spokesman Brock Stewart says, there are limits to the price increases that travellers will tolerate. In one attempt to re-gain profitability, Canadian in August tried to initiate its second four-per-cent domestic fare increase in four months, but quickly withdrew the proposed increase after Air Canada failed to follow suit.

The trend is similar in the United States. Airlines, on average, have been climbing since 1984, when price competition drove many airlines into bankruptcy. Last year, U.S. domestic fares rose by eight per cent while the number of carriers continued to shrink as a four-year wave of mergers and acquisitions took hold. That wave included when stock markets plunged on Oct. 12—a crash caused largely by an announcement from GM Corp., the parent company of United Airlines, that financing for an \$8-billion buy-out by its managers and employees had collapsed. The following week, Donald Trump, the developer of New York City's new casino, the Rittenhouse New York Hotel-Casino, said that he would be selling the

Business Notes

THE CROWNSIGHT SAGA

The University of Toronto dropped a lawsuit against Crownsight Performance Inc. last week intended to block a French company from buying the Canadian rights to the French company's new fitness program. The lawsuit, which was filed in 1987, was intended to prevent a total of \$15 million in M&A of Canadian universities over the next 10 years, should its purchase be approved. The university now has renegotiated licensing agreements in place with Marlowe and U.S.-based companies, which are fighting for both the university's and Ottawa's approval to make the purchase.

CAMPBELL HOLDS A SALE

Financially troubled Campbell Corp. of Toronto is selling its interests in three major downtown Vancouver buildings that it bought for \$81.8 million in 1985. Campbell is struggling to overcome debt problems associated with its \$7.9-billion purchase last year of Cincinnati-based Continental Department Stores Inc., including New York City's famed Bloomingdale's.

LOTTIE LEAVES PROVISO

In a dramatic shake-up, one of Quebec's largest firms, Provigo Inc., is selling off its assets, including Canadian Discount Stores Ltd., which recently launched a bid of the Quebec grocery business and into the major leagues of Canadian retailing. As well, Pierre Lortie, 42, the former president of the Montreal Stock Exchange, resigned as chairman of Provigo, but no reason was given.

CINERPLEX SHARES DROP

Investors appear to have reacted to a \$16.49-per-share offer by Cinéplex Odeon Corp. made by two new executives, chairman Garth Doolittle and vice-chairman Myron Gottlieb. Instead of share values increasing, and investor requests that they double lower. Analysts say that investors do not believe that Doolittle and Gottlieb have the required \$600 million to \$800 million that is required to purchase the company.

MARKET INDEX LOWER

The made market closed a weakling run last week with the Dow Jones Industrial Average. The Dow Jones average of 30 industrials fell 92.42 points for the week to 2586.72. In Toronto, the index dropped 70.34 points. Analysts said that some major companies in the exchange that showed lower-than-expected profits. Earnings for the third quarter peaked the decline.



Eylon: fares were so low that "even the buses were worried about the competition"

Photo: J. G. Smith



killer bid for the parent company of American Airlines. But some analysts expect takeover interest from James Ryan, a New York-based investment banker, with First Boston Corp. and troubled entities such as Enron and Pro Air remain tempting targets if the price is right. Meanwhile, a Senate subcommittee in Washington, D.C., is examining the issue of whether the increasing consolidation of the airline industry is limiting competition, and some senators are calling for re-regulation.

Some groups in Canada are also calling for re-regulation to curb the dominance of Air Canada and Canadian. Canadian Ruggiey, a representative with the Consumers' Association of Canada in Toronto, said that Ottawa should allow the National Transportation Agency to remove and potentially disallow fare increases.

But despite the continuing consolidation of the North American airline industry, analysts say that travellers are under deregulation. Robert Morrison, an economist with the Washington, D.C.-based Brookings Institute, said that a study he conducted in 1996 showed that U.S. fares were 28 per cent lower than they would have been without deregulation. And in Canada, Michael Treisman, a professor with the Centre of Transport Studies at the University of British Columbia, said that 60 per cent of Canadian passengers still travel at some level of discount levels, which were unheard-of before deregulation.

Meanwhile, both Canada and the United States are facing increasing pressure to open up their domestic markets to foreign competition. European airlines complain that it is unfair that American carriers can serve such profitable European routes as the London-Paris run while such North American routes as Chicago-New York or Montreal-Toronto are off limits to foreign competition.

Spurred by Europe's drive to eliminate commercial barriers, including those that limit competition in air travel, U.S. and European carriers are already fighting alliances. In June, for example, Dutch Airlines agreed to buy a 50-per-cent stake in North-West Airlines through a holding company that on Oct. 1, U.S. Transportation Secretary Samuel Slater issued an order recognizing the Dutch airline's stake in the U.S. carrier to 25 per cent. Canadian laws already prohibit foreign

carriers from owning more than 25 per cent of domestic airlines. But Donald Carty, American Airlines' executive vice-president for finance and planning, and a former president of CP Air, told *Maclean's* that Americans are now holding talks with Lufthansa president Helmut Kohn about closer ties between the two airlines. Lufthansa already

a presence in fares and product offerings."

Until now, U.S. trade negotiators have rejected Canadian proposals for just such a bilateral agreement for free. But such a precedent would open up the U.S. market to all foreign competitors. In fact, analysts and airline executives in both countries say that an entire



Lufthansa, Lufthansa 737-400: no plans to adopt American's free-flying strategy

will better off under deregulation. Morrison, an economist with the Washington, D.C.-based Brookings Institute, said that a study he conducted in 1996 showed that U.S. fares were 28 per cent lower than they would have been without deregulation. And in Canada, Michael Treisman, a professor with the Centre of Transport Studies at the University of British Columbia, said that 60 per cent of Canadian passengers still travel at some level of discount levels, which were unheard-of before deregulation.

In a reversal of the traditional position of U.S. airlines, Carty called on Ottawa to

regulation continue to be liberalized around the world, more intense global competition between increasingly larger carriers is inevitable. Eylon predicted last month that fewer than 100 major carriers may survive. If that happens, the small Canadian domestic

regulation continue to be liberalized around the world, more intense global competition between increasingly larger carriers is inevitable. Eylon predicted last month that fewer than 100 major carriers may survive. If that happens, the small Canadian domestic



Trump in the cockpit of his first Trump Shuttle flight: a four-year wave of airline mergers

license its investment routes and conclude a bilateral aviation agreement with the United States allowing for greater competition on domestic routes in both countries. Declared the Toronto-based Carty, "Canada is actually part of a North American market. To the extent that it isolates itself, Canadians will pay

market will likely continue to be dominated by, at most, two mega-carriers, and Canadian travellers may realize even fewer benefits from the global battle for the sky.

JOHN BALDWIN AND ANN HODGKINSLEY
in Toronto



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BUSINESS

Exodus of an industry

Canadian oil explorers are looking abroad

Most of the drill rigs were silent across Western Canada last week. In fact, only 17% of the 496 oil rigs in the region were drilling for a gusher and, even then, a number of them were being operated at a loss by desperate owners in search of critical revenues. The boom-and-bust energy industry is accustomed to hard times, but the latest slump is different. In fact, a historic shift is occurring in the Canadian energy industry—oil exploration is moving away from Canada to foreign shores. Concluded Keith Colwell, vice-president of exploration with Calgary-based Gulf Canada Resources Ltd., "We are certainly not abandoning Canada, but if we want to continue to explore our resources, we have to look abroad."

The steep conventional oilfields that fueled the energy sector's growth and supplied most of Canada's critical crude-oil needs for four decades, are dwindling. There are still an estimated 3.6 billion barrels of conventional light oil to be found in Western Canada, but most of it is in small, scattered pools that make it increasingly costly to find and develop.

The huge Canadian and multinational energy companies, which provide most of the investment and jobs in the industry, are slowly but steadily abandoning the hunt for conventional oil in the West, and as a result some analysts say that Canada will become increasingly dependent on less secure foreign supplies. Many companies, even government-owned Petro-

Canada of Calgary, are turning to regions such as Southeast Asia, Africa and the Middle East, where they hope to strike huge deposits at the lower cost. As well, companies are increasingly shifting focus out of the search for crude oil and into exploration for natural gas, a commodity that may soon begin to price.

The marketizing West Texas Intermediate crude was selling at only \$33 per barrel last week, down from \$36 a barrel in January, 1985, when oil prices suddenly collapsed under the weight of a massive international oversupply. Many smaller companies, facing increased overhead costs and paying low government

royalties, can still earn a profit at current prices. But some major companies say that they cannot justify the high cost, and relatively small reward, for oil exploration in Western Canada. Sud Paul Meeks, Shell Canada Ltd.'s vice-president of exploration, "With oil prices at depressed levels, the economics of looking for oil in Western Canada are extremely shaky for large companies with high overheads."

The lack of conventional oil drilling in Western Canada and the shift to exploration abroad have already cost the

Pumpjack on a Medicine Hat, Alta., well. Jasson

industry 3,000 jobs. And they have also raised concerns about the source of Canada's future oil supplies.

Even now, light crude from the massive geological formations known as the Western Sedimentary Basin can no longer meet national demand. Current daily production of 1.1 million barrels accounts for only 70 per cent of total refinery requirements. The remainder is imported from the North Sea, South America and the Middle East at a cost of about \$4 billion annually.

And while Canada's consumption of crude oil is forecast by Ottawa's National Energy Board to remain relatively flat for the next decade, conventional production is expected to decline—from about 400 million barrels in 1990 to 350 million in 1995. Concluded the Calgary-based Canadian Energy Research Institute in a recent report, "The current supplies from conventional light oil will exhibit a substantial decline over the next decade if no new major discoveries are made."

Canada's best bet for meeting future energy needs may lie in oil sands megaprojects in northern Alberta, heavy oil in Saskatchewan and offshore in the High Arctic and off the coast of Newfoundland. Yet many large Canadian firms think they may be better off searching for new oilfields outside of Canada, where exploration and production are cheaper and there is a better chance of finding a major new field.

In 1984, Canadian-based companies spent just seven per cent of their budgets abroad. But many analysts predict that the trend towards foreign exploration will grow, as more companies abandon the dream of making huge new finds in Western Canada.

As part of the push into foreign oilfields, Gulf Canada Resources Ltd., controlled by Toronto's billionaire Richardson family, in 1984 bought control of Asamira Inc., which already held significant oil interests in Indonesia. Gulf is also involved in an exploration program in the potentially rich Gulf of Benz and at Malaysia. At the same time, Gulf plans to drill core wells in the Canadian Beaufort Sea over the next 12 months. And it remains one of the partners in the Eldorado project off the coast of Newfoundland.

The list of foreign players who threaten Calgary-based Husky Oil Ltd. is long. It signed a contract with the Libyan gov-

Price: Libyan contract



COMING SOON

The Velvet Touch.



Black Velvet.
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BUSINESS

revenue in August, 1988, to spend \$42 million as part of \$160 million worth of exploration and development of conventional light oil in the northern African country. Added Binay president Arthur Price, "We are also looking at plays in West Africa and the Middle East, and we have discussed possibilities in Vietnam with other partners."

Petro-Canada is also part of the episode. The Crown corporation was created by the Liberal government in 1975 with a mandate to explore in the frontier regions and to ensure a secure supply of energy for Canada. But in 1984, the new Conservative government began opening Petro-Canada like a fully commercial oil-savings company.

Since then, it has negotiated exploration concessions in Pakistan, Malaysia and Colombia, and has reached agreements to jointly explore for oil in Thailand, Spain and China. Explained James Stankov, president of Petro-Canada Resources, the exploration-and-production unit of Petro-Canada: "Like the other majors, we need big oil fields—wherever they are."

Spending has also dropped drastically in the heavy-oil megaprojects in Western Canada, and as experience frontier outcrops in the Beaufort Sea and in the Atlantic Ocean off Newfoundland. And analysts say that today's stagnant oil prices will likely mean that the already sluggish drilling activity in frontier regions will be scaled back even further.

Conventional oil exploration is also being cut back to focus strictly on natural-gas development—a resource that is dramatically increased demand because it is cleaner, environmentally more acceptable, and plentiful. Calgary-based Shell Canada Ltd., for one, is shifting its entire oil-exploration budget—about \$20 million this year—into natural-gas exploration in 1989.

As well, Sceptre Resources Ltd. of Calgary, which now splits exploration expenditures evenly between oil and natural gas, plans to shift mostly to gas in the future. And Edmonton-based Husco Oils Gas Ltd. is spending 50 per cent of its \$20-million 1989 exploration budget on natural-gas prospects, compared with 30 per cent in 1988.

The rethink for Canadian gas exports to the United States was spurred by the National Energy Board's decision last month to award licenses to export 9.7 billion cubic feet, 30 per cent of known Canadian reserves, from the Mackenzie Delta Valley in the United States. And James Gray, executive vice-president of Calgary-based Canadian Hunter Exploration Ltd., predicts that exports will grow even more in the future. Said Gray: "Environmental protection is the biggest legislative priority in both Canada and the U.S. Now, mandated emission standards can only be met by the increased use of natural gas and electricity." Clearly, the rush to explore for oil in foreign countries, and the growing use of natural gas, could keep the drill rigs silent in the West for a very long time.

JOHN DeMONT with JONNY HOWSE in Calgary and ANN BALMAGLEY in Toronto



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The Move Is On





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preferred method. And we call the car the Corrado.

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the G60 supercharger boosts the power of our compact 1.8 litre engine from 100 to 158 horsepower. Deuced clever, those Volkswagen engineers.

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describe Corrado's speed sensitive rear spoiler which automatically extends at high speeds for added stability, then comes to rest at lower speeds.

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BUSINESS

Yellow and red all over

The Financial Times of Canada is for sale

I was glibly taken at its blandness. For weeks, rumors had been swirling in the publishing industry that Southern had

planned to take drastic action to stop the competing financial losses at the *Financial Times of Canada*. Those rumors led the editorial staff at the weekly business tabloid to set up a pool and begin betting on their fate. The betting pool was seeded a transfer from South's business information and communications group to another division, a sale, or its closure. In the end, the mood at the *Times* Toronto newsroom was calm last week as Southern business information group president Ronald Koval and vice-president Harvey Southern gathered employees together and told them that the paper will be sold. Said *Times* publisher and editor John MacLachlan: "It didn't come as a surprise."

The action of the *Times* makes it the first combined, in-fiber in the fierce three-way battle for business readers among itself, the *daily Globe and Mail's Report On Business* and the *daily Financial Post*. Now, the potential buyers include the *Times* two competitors, as well as investment banker Christopher Dewberry. The *Times* joined with the competitive battle in January, 1988, when it converted a long-term format by art director Derek Upshall, now at *Hague*, and merged to last a new daily edition of the *Financial Post* onto the street by two weeks. Guided by the astute MacLachlan, a former publisher of *StarWeek* and a former executive editor of *Maclean's*, the new look *Times* (available in-depth stories).

For the relaunch—supported by a \$1-million promotional campaign—aimed to generate the necessary circulation. Said Paul Duggan, the weekly's director of marketing: "Average circulation for 1989 will be 113,000, versus 108,000 in 1988. But this year we were supposed to hit 168,000."

Last week, MacLachlan blamed the October, 1987, stock market crash for the *Times* failure to attract more readers. He added, "A lot of people who had been reading business publications pulled out of the market and had no more need for them." At the same time, the crash also reenergized the market for investment-related advertising that both the *Times* and the *Post* planned to cash in on with their new editions.

While the *Times* circulation growth was slow and its advertising market was shrinking, it still spent heavily to lure people from rival publications by offering them higher salaries. Said Koval and MacLachlan's editor Timothy Pritchard: "I want our people that thought they were in a part, danger zone."

In the end, the 77-year-old *Times* lost about \$7 million last year and executives expect another \$4.5-million loss this year. Koval said

that Southern executives decided several weeks ago to sell, rather than invest the heavy additional sums needed to rescue the paper.

Both of the *Times* major competitors say that they are interested in buying the paper,

estimated to be worth up to \$30 million. Pritchard said that a *Globe* purchase might allow that paper to launch a Sunday edition, "if the price were right." And *Financial Post* chairman Douglas Cristie said that the *Post* might be interested in buying the *Times* into a magazine, promising: "We wouldn't say it just to close it." And the colorful *Ontario* editorially but reasonably for the paper earlier this year. As the potential buyers spread up, they gave the *Times* staff new prospects—and new betting options.

JOHN DAILY with ANN ROUSLEY in Toronto

Low back pain starts lower than you think.

Just walking sends jarring shocks wave through your feet to your spine, contributing to the agony of low back pain.

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Back Guard inserts neutralize The Shock-Trapper Module™ that literally traps the shock waves and neutralizes them before they can hurt you.

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CANADA INC.

DESTROYING THE MIDDLE CLASS

**TAXES, INFLATION
AND STAGNANT
INCOMES ERODE THE
LIVING STANDARDS
OF MANY FAMILIES**

[illegible]

Battle: Most are losing the battle. In fact, the incomes of middle-class families, generally defined as the more than half of households earning between \$30,000 and \$70,000 annually, have not kept ahead of inflation for 10 years.

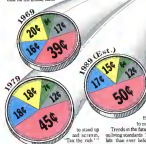
Wilson: taking away the middle class



Italy, one out of seven Canadians—shaking about one million children—live below the poverty line at a time when wealth creation generally is at an all-time high. Over the past five years, Canada has been the West's second fastest-growing economy, behind Japan. The gross national product, which is the value of all goods and services produced in the economy annually, rose 7.4 per cent in 1992 from \$422.7 billion in 1991. The number of people in the largest social services for the middle-income groups, and that could increase if Ontario goes ahead with its plan to impose a nine-per-cent Goods and Services Tax in 1993. The Confederation Board of Canada estimates that the nation will need Canada's real disposable income by 1993 \$7.3 billion annually. And provincial finance ministers are meeting in Montreal on Dec. 30 and say that the GST would raise provincial governments \$1.5 billion for roads or cut social services. Declared Galt: "It's a little late for the annual class."

THE SHARPENING TAX BITE

in the 1980s, food, clothing and shelter together were a consumer's largest cost. Now, it is taxes, which eat up 50 per cent of the average Canadian's income.



they spend to help maintain a middle-class lifestyle. Clearly, for thousands of Canadians, the struggle to make ends meet has become a frustration on a treadmill, and it seems to be no way ahead.

Trends in the future point to a further drastic widening standards. Taxes already have stagnated since the early 1960s and the possible future increase is to be on a relatively low level. In the early 1980s, food, shelter and clothing were a major part of a budget at disposal. Now, in tax times from sources, including personal income and sales taxes and local property taxes. As a result, the middle class financing in Cleveland is pushed out to either end of the economic scale, a phenomenon that economists describe as "income polarization" (page 60). See Charles Beach, professor of economics at Queen's University in Kingston, Ont. "The rich are getting richer, and the poor are getting poorer."

Fact: The slow pace of wage increases is one cause of the problem, although stagnant incomes have also helped to keep inflation under control. According to Statistics Canada, the average family income, adjusted for inflation, was \$42,879 in 1980. After a sharp drop during the recession of the early 1980s, it crept back up to just \$43,804 in 1987. That marginal increase, said Richard Shillington, a leading Ottawa-based economic consultant and

his expert, amounts to "treating water."

At the same time, the number of middle-income jobs is declining. Most new jobs are created by the exploding service and high-technology industries, but those jobs are usually at the low or high end of the wage spectrum. As a result, there are plenty of job opportunities for rookies and advanced computer experts, but fewer and fewer for middle managers.

Bliss: It is the normal expense of running a household or becoming owners for many, including those with incomes that might seem high to poorly paid Canadians. Anne Lamer, 45, one, a married 29-year-old senior consultant, for an advertising agency in St. John's, M.D., says that she is never sure there will be enough money to pay the bills. "We can \$40,000 and we can't afford here," she said. After taxes, the Lamers are left with about \$40,000. Anne Lamer and her husband, Robert, 35, an auto mechanic, have two young children. They own a 10-year-old, two-story duplex in downtown St. John's. The Lamers' other ways, they say, they don't. They don't have a car, they don't take a vacation in three years and Anne Lamer said that even the occasional dinner out with a bottle of wine has become a real treat.

Like the Galas, who have been unable to achieve the level of wealth their parents enjoyed, the Lamasers also say that they are bewildered by their financial problems. "We are making the kind of money we always thought would let us relax," said Anne Lamas. "But I'm not confident that I'm ever going to have



anything left over at the end of the month." And yet these debts do not seem unusually high—a car loan, a student loan and a mortgage totalling \$960 a month. While they managed to put aside a college education fund for their children, they have nothing left for retirement savings. Said Robert Lerner: "My pay cheque is wild. They take one-third."

Reform: Taxes have reduced middle-class incomes more than any other factor since Premier Manning took office. When launched the funding of the government's tax reform program in 1994 (page 66) Although some tax cuts were marginally tax-cut, these were several tax-cut (little-reduced) changes, such as reducing sales tax for adults and making tax credit, is mostly unavailable to middle-class Canadians. According to a forthcoming study by Carleton University public administration professor Howard Manning, the average household earning \$40,000 a year lost less than it won in 1994, when the Tories were first elected. As well, the federal government took an individual with an income of \$25,000 at the same 28-per-cent federal marginal tax rate as it does an individual making \$150,000. At the same time, taxes have raised for



Gale in a Vancouver supermarket: going for the best and new

groups on either side of the middle class. Households earning at least \$115,000 (one per cent of the total, now take home \$1,370 more than they did in 1984), a 1.4-per-cent cut in income. And those earning less than \$30,000, or 20 per cent of the population, are also better off, by \$320 a year, or 2.2 per cent. Stallington says that the tax reduction for high-income earners is designed to discourage them from fleeing to the United States, where marginal tax rates are generally lower. But he adds that

the result is a greater burden for those trapped in the middle. Declared Stallington: "People in the middle are beginning to realize that they are much worse off than they were five years ago."

Burden: The tax burden on the middle class will increase if the GST takes effect on Jan. 1, 1991. Consumers will have a nine-per-cent tax on virtually all purchases, including all types of services from legal fees to laundries. Under the GST, these households earning less than \$25,000 would receive a full sales-tax credit, with the amount of the credit gradually declining as income climbs. Households that include two children and earn more than \$40,000, adding more in the middle class, will receive no sales-tax credit at all. Laura Escobar, an accountant who lives in White Rock, B.C., with her accountant husband, Jack Mearns, and their daughter, Gabriella, says that the tax will sharply erode her family's income (page 66). Added Escobar: "The taxes, like children's clothing, should not be taxed. If we are going to have to lighten our belts, it would be nice if we could do so on our children."

Faced with growing popular concern and a rising political debate surrounding the GST, Wilson launched a publicity and speaking cam-

budget for retirement savings and education funds for their children. They also have several of the conveniences that many middle-class families in the 1980s have come to expect—a microwave oven, video cassette recorder and compact disc player.

A growing number of middle-class Canadians like the Pratsons are choosing to live the high cost of living by moving to smaller urban centers. They are also attracted by lifestyle that are more relaxed, and by more opportunities to spend time with family and outside personal pursuits. Although many families still appreciate modern conveniences, they say that they are less likely to buy the toys to acquire. Said Pratson: "There's no sense trying to live like the Joneses if you don't have the Joneses' money." Many are also seeking a higher standard of living to stay home with small children.

Laura Escobar, for one, works only part time as an accountant so that she can spend more time with her eldest daughter, Gabriella. She earns about \$18,000 a year, as opposed to the \$40,000 she could be making if she worked full time like her sister in White Rock, B.C., a small community 30 km south of Vancouver, with her accountant husband, Jack Mearns. Escobar says that there may be a positive side to the financial squeeze being experienced by the

middle class. "Whether society is too material-oriented," she adds, "Some good may come out of all our problems—maybe we will all look to traditional family values."

The promise of a simpler lifestyle also motivates a growing number of young families who are leaving large urban centers. Says Pratson, "It's a lifestyle change, not a lifestyle change." In the case of the Pratsons, it is the sole support of his wife, Kate Murphy, 30, and their two young children. Although Patrick says that they are not financially strapped, they are planning to sell their house and move to Chilliwack, a picturesque town of about 2,000, about 90 km southwest of Victoria. Patrick adds that the move will allow them to buy a larger house for less money and, most important, to have more freedom and control over their lives by leaving the pressures of city life. "What we want is balance," he explains. "The things that are important to us are spending time with our children and having the ability to make choices in life." While the twofold middle-class goal of more meaningful affluence has motivated the Pratsons, and others, a fading optimism by choosing to mortgage the dream.



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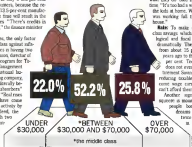
—The Wines of Ernest & Julio Gallo—

page last month to you converts to his plan. In an interview with *Maclean's*, Wilson mentioned that the car will not hurt the middle class. He said that the "income impact" of the sales tax will amount to only a percentage-point increase for most consumers, because the removal of the existing, 13.5 per cent manufacturer's tax at the same time will result in the lowering of some prices. "There's credits in the price of everything," the finance minister said.

Shock: In many cases, the only factor limiting the middle class against inflation and escalating taxes is having two incomes. Thomas Adams, director of the opinion research program for Toronto-based Ray Management Consultants, an institutional business-research consulting company, says that women have literally become the "shock absorbers" against economic decline. "Real rises in household income have come entirely as a result of activity by women," he says. Indeed, the number of families with two wage earners has increased by 180 per cent in the past 30 years, until 1980, the last year for which such figures are available. 62 per cent of all Canadian families had double incomes. Ted and April Vaughan, both 46, of Halifax, are enjoying their first child this month and plan to leave home, but they are resigned to April's continuing to work. Said

MORE THAN HALF ARE IN THE MIDDLE

Canadian household income distribution



Ted, an assistant for the Nova Scotia department of municipal affairs. "If my wife stops home to take care of the child, we're living life on an income of \$20,000. We can't do it."

There is a downside to being in the work-

force for many women, who say that they are reluctantly leaving small children at home. As well, they worry that their children will lose the advantages of a stable family life, no matter what they do. Said Vaughan, who works part-time: "It's too bad a wife has to work and leave the kids at home. We just have a duplex. If I was working full time, we could afford a house."

Risk: To make matters worse, middle-class savings, which once provided a psychological and fiscal cushion, have dropped drastically. The savings rate has fallen from about 25 per cent of earnings 50 years ago to the current level of eight per cent. Ted Vaughan said that he does not even have a Registered Retirement Savings Plan, a simple way of reducing taxable income for middle-income wage earners. Said Vaughan: "I can't afford them."

Another sign of the middle-class squeeze is mounting consumer debt. As people borrow to replace their dreams in life, Canadians owe twice as much now as they did in 1963, a total of \$217 billion last year. "Consumers have not given up their savings and replaced them with debt," says Ottawa-based consultant Ross. "They feel pinched, but they don't want to cut back, so they borrow and hope it will improve." Meanwhile, moderate vacations and regular entertainment have become a luxury for many

THE FIRST WORD IN FILM IS THE LAST WORD IN COPIERS.

THE HIGH COST OF CHILD CARE

The three top-ranked McIntyre children, Colin, 6, Amber, 3, and Brandon, seven months, are not parents. In the last year, their father and mother will pay a maximum of \$17,000 for them in regular living expenses and day care. For Marianne and Larne McIntyre, both 37, that is a stretch. Together, the Toronto couple earns just slightly less than \$50,000 from his business as a home builder and photographer, and her job as a sales representative for Glaxo Canada. The McIntyres, who live in Canada's most expensive city, say that the children are worth the financial drain, but they are worried that in the past three years, the cost of their day care centres has nearly doubled, from \$15 to \$25 a day. And in order to afford the \$5,700 they will pay this year for part-time day care for their two youngest children, they say that they must live in a run-down house and tolerate it themselves in their spare time. Said Larne McIntyre: "If you could put a value on our time, the children cost a fortune."

Like the McIntyres, many young parents are alarmed by the growing cost of raising children. The local Planning Council of Metropolitan Toronto estimates that, including day care, it will cost \$742,000—more than the average price of a house in most Canadian cities—to raise a child born in 1989 to the age of 18 in the year 2007. Taking inflation into account, the council said that a 1982 student double the cost faced by parents 20 years ago. And even after the children turn 18, they may continue as a financial burden as parents help with education, a low-spread loan as college down payment or other forms of financial aid.

As more and more mothers enter the workforce to help with household expenses, child care has become the biggest single cost. According to the council, day care can more than double the annual minimum cost of raising a child aged 10—now about \$5,500 to \$10,000 a year. Experienced parents complained salaries as high as \$25,000. And some working women with children have found that they are only marginally ahead when they take into account extra expenditures for child care, unstable effort, clothing, lunches and groceries. A mother taking a minimum-wage \$18,000-a-year salary needs to make at least \$18,000 to break even after paying the taxes on her own income, work-related expenses such as lunches

and transportation and lost unpaid tax credits.

Gilmore is also partly responsible for the growing cost of raising children. Parents claim that, in recent years, the federal government has doubled the tax advantages available to middle-class, especially income-taxpayers. It has brought that maximum to the \$4,000-per-child deduction for child care, which is usually allowed to families in which both parents work. Another is the new restrictions on family allowance benefits introduced in the 1983 federal budget, now families in which one parent earns more than \$50,000 will see their family allowance payment taxed back.

The high cost of raising children has in turn helped to shrink the size of most Canadian families. Canadian women are having on average only 1.7 children, compared with 3.5 in 1959. Said Robert Guio, an administrator at the Vance Institute of the Family in Ottawa: "These days, we try to have fewer kids but better kids. We haven't a lot more in them." Indeed, for all their complaints, parents acknowledge that children are the one more thing about which they will never regret.

ANN HAINESLEY

members of the middle class. Said Roger Guba's wife, Anne Perone: "We go every weekend to a small, one-room cabin on the Gulf Islands. Our youngest daughter sleeps under a table, and our son sleeps outside in a tent." And Peter Ruppel, of Halifax, who supports his wife and four children on his \$25,000-a-year salary as an industrial arts teacher, says that he has been forced to cut back spending on food. To save money, the family grows their own flour and takes their own bread. The Ruppel family are building their own home for about \$16,000, one that will be so energy-efficient that "you can heat it with a couple of hair dryers," Ruppel said. Added Ruppel: "For outstanding, we taught our kids to read."

And as the familiar facebooks of the middle-class classes begin to move out of reach, many Canadians are venturing a guess: As they do, families are turning more accessible extras, such as a new car, instead of a house.

Future: Many economists and social-policy analysts say that Canada at a financial crossroads that will determine the future shape of society. They add that if economic at middle income continues, the next decade could produce an extremely polarized society—with a small rich layer at the top and a growing stratum of lower-income families at the bottom. The country would be wealthier, but there would also be much more poverty. And almost 50 per cent of a selection of Canadian experts on social trends polled by Hay Management last spring now say that they believe polarization will happen. Said Atkinson: "The signs of affluence will be all around—luxury, expensive restaurants, inflated real-estate values. Many individuals will be forced to realize that they have no reasonable chance of attaining these things—they will be locked out of the dream."

Young Canadians will be among the hardest squeezed as salaries for new workers entering the workforce continue to fall. The incomes of those under 25 are already slipping sharply behind those of other age groups, and some economic forecasters say that most of them will never catch up. Highschool dropouts, running at 30 per cent nationally, may be locked into low-income ghettos, as the so-called knowledge professions, such as medicine and high technology, become easier to import.

The potential result of wider wage disparity could be disastrous—rising crime rates,



The Ruppels in their energy-efficient home they are building

trading-room screens and a two-party political system deeply split between conservative and socialist groups, and Gordon Richardson is concerned with the Economic Council of Canada. He added: "Due to the strength of Canada in that a lot of people have had a stake in the

country's future. But if we develop a class problem, we could face the South American syndrome—political problems and social divisions."

As well, government may not be able to ease the problem with a safety net of social welfare programs. Oxfam, saddled by a \$28.9-million deficit that is twice as large as the U.S. deficit on a per-capita basis, may have neither the money nor the political will to support a large welfare plan, Richardson said.

Risks: In the United States, where economists say that class polarization is already well advanced, Paul Barry, Executive Director of Massachusetts in Boston, says that something can be done. Elsewhere, a political science professor, told Maclean's that a rethink of national law, better education, higher wages and bolstered unions could all help stop the erosion of middle-class income.

For now, the middle class is tenuously hanging on. According to Carleton University sociologist John Miles, the middle-class threat is "metaphor, it seems to me as the nuclear car is the doorway, a microcosm in the kitchen, and toilet brushes and Saturday-morning books up for the kids." It is a dream that all of society was needed to share at the end of the Second World War, Miles says. But, he added: "Now, ask yourself what happens if you begin to polarize society into haves and have-nots. What you get is potential for conflict."

Gale and many other middle-class Canadians interviewed by Maclean's tend to see the income gap widening as a threat. They reluctantly acknowledge that they no longer expect to retire in comfort and that they long ago gave up the idea of ever attaining the affluence enjoyed by their parents. But they also hold out hope that part of the middle-class squeeze—the trend towards a stratified society—can be reversed. Said Gale: "We are fools if we don't put a stop to this. It is a failure of democracy if we don't find truthful alternatives." That is a clause that may be heard with increasing frequency if the gulf between rich and poor continues to widen.

PETER K. CHEDOKIN with
RUSSELL HARGREASEY in St.
John's, CLYDE ALLEN in Halifax,
DAVID LINDORFF in Boston,
SARAH AKAP in Toronto
RAEENE MOOREWELL in
Calgary and GAREK WOLFF
in Vancouver

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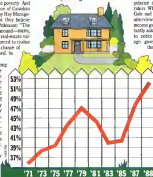
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BORROWING MORE TO PAY THE BILLS

Growth of household debt as a percentage of income



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FIGHTING A TAXING BURDEN

TAXES ARE ERODING THE MIDDLE CLASS

The rain of anti-tax rallies, petitions and threats of civil disobedience mobilized across the nation. The furor was sparked by Finance Minister Michael Wilson's April 26 announcement of a major tax change which would replace existing levels with a lower, but almost universal, nine-per-cent tax on goods and services. And the protests, the House of Commons finance committee last week wound up three weeks of cross-country hearings into the tax, with its chairman, Conservative MP Donald Boudreau, merely saying that the committee would consider the submissions made to it. Due to report by Nov. 26, the committee will make its recommendations to a cabinet of growing anger over the tax. In Windsor, Ont., increased citizens held a tea party on the banks of the Detroit River, modelling their protest on the opening days of the American Revolution. In Red Deer, Alta., more than 3,000 protesters crowded into an auditorium on Oct. 30, perching the federal government and warring anti-tax groups. And in Vancouver, a coalition of citizens called SCRAP IT collected thousands of names for an anti-tax petition, mostly by parading shopping bags. Many consumers say that the new tax will strip value from the gap between rich and poor. Scott Scarp IT chairman Douglas Wylie, "Wilson keeps buying new shoes, but I keep reading mine."



Protesters selling the GST to Canadians

Trapped: Income debate over the Goods and Services Tax (GST) has erupted at the same time that more and more middle-class taxpayers are spending out against their total tax burden. According to the Vancouver-based Fraser Institute, taxes from all sources—federal and provincial income taxes, consumption taxes, and municipal taxes—now consume about 50 per cent of a taxpayer's income. That amounts to a tax bill of \$23,094 on the average Canadian family income of \$46,000.

In addition, federal tax reforms that began in 1984 have had a net effect of increasing total personal income taxes by reducing deductions with tax credits, by decreasing tax brackets and by introducing so-called clawbacks of social welfare benefits such as the family allowance

While many Canadians say that they are resistant to paying taxes to support social-spending programs, they also maintain that the tax burden is too heavily weighted on middle-income groups.

Many of the changes have particularly affected the middle class. Most of the newly introduced tax credits are available only to lower-income groups. At the same time, the favorable tax rates for investments, such as the 25 per cent tax paid on income from private Canadian corporations, are used mostly by wealthy Canadians. Such taxes are irrelevant for many middle-income earners, who lack the

done. But so far the government has been unable to convince Canadians that the tax is fair and equitable. A September poll by Gallup Canada Inc. found that an overwhelming majority of Canadians, 72 per cent, are opposed to the tax.

During hearings in the West, the Atlantic Provinces and Ottawa, the sharply criticized has been heavily criticized by groups from all levels of society, ranging from the Canadian Bar Association to the National Council of Women. Larry Alexander, 75, a chemical consultant in Kelowna, said that the committee failed to even give his submission for consideration. After only four minutes, Alexander told him that he was wasting the committee's time. Alexander said his concern was that the tax will put him out of business because the price of his services will rise when the tax is imposed.

Then, two weeks ago, most provincial finance ministers, as well as at least one republican federal Conservative MP, openly attacked the tax, calling it excessive and overly complex. Said David McGowan, MP for Edmonton South and a vocal critic of the tax: "The more I find out about it, the less I like it." But a senior federal official who requested anonymity acknowledged the tax is almost unworkable. Said the official: "Taxpayers are mad, but they also accept the fact that it's going to happen."

In defending the new tax, Wilson has promised that it will be "income-neutral." He says that after taking into account the offsetting GST tax credits—available to households earning less than \$30,000—income-tax cuts and administrative costs, total tax revenues will not increase. Wilson adds that eliminating a 13.5 per cent manufacturers' sales tax will help stimulate economic expansion.

Difficult: In fact, part of the government's difficulty in granting the sales tax lies in convincing Canadians that it will be revenue-neutral. Michael Walker, executive director for the Fraser Institute, and that claims of revenue neutrality are "nonsense." According to Walker, the tax will sweep up an additional \$7 billion out of the pockets of middle-class Canadians, who will not be eligible for the sales tax credit, even though they make up the largest group of consumers. He added, "From the point of view of the people who will pay the tax, there is no net effect."

Other economists claim that the goal of economic expansion is in doubt. According to Dalhousie University economist Michael Bedford, there is no guarantee that business lead-



The revolt in Red Deer, Alta. (right, Kelowna) a rash of anti-tax rallies and petitions erupt across the country

ers will use their higher profits to re-invest in Canada. There is also a possibility that the new tax could actually slow the economy by inhibiting consumption. Bedford, for one, says that many sectors which rely on retail sales, such as the clothing industry, are likely to be hurt by the tax. He added, "The retail sector knows that there is no going to be good to this one."

Members of many families say that they simply are not willing to pay another tax, even if it replaces existing ones. Catherine Stewart, 43, who lives in Toronto with her husband, Darryl, 38, and daughter, Amelia, 3, says that the new tax will put her family into a very difficult financial position. "I do not want to spend money, but we make \$10,000 a year, for heaven's sake, and we are struggling," said Stewart, a well-known television personality.

Payable: The GST debate has also brought into focus arguments about the overall fairness of the tax regime. Said Wayne Rock, B.C., accountant Jack Norrish. "As soon as you get employment, you are guaranteed to be paying taxes at 25 per cent. An individual

seems to bear more of the burden to pay taxes than corporations and entrepreneurs." Leslie Mann, a financial planner in Toronto, said that the tax burden is not spread equally. There is no longer a truly "middle" tax bracket in Canada. Mann says, only a lower bracket and an upper bracket. He said that middle-class arises because, out of a total of the three existing brackets of income-based federal and provincial tax, the two highest are only about four percentage points apart, at 48 per cent and 44 per cent. The third stands at 38 per cent.

Another phenomenon that hurts middle-class taxpayers is what tax planners like Mann call "bracket creep." That phenomenon occurs when inflation drives into and wages, and tax brackets are not indexed upward enough to offset cost-of-living increases. While some indexing is still in place, tax reforms introduced by Wilson in 1984 have resulted in tax brackets lagging about three percentage points below the rate of inflation. "At the current rate of inflation," Mann says, "dollar earnings \$45,000 will be in the top tax bracket in eight years." That means such a taxpayer will move from the combined rate of 48 per cent to 64 per cent

without any increase in real income.

Still, many taxpayers emphasize that they are willing to pay taxes that are used to fund vital services. Donald Walker, 41, a funeral director who lives in Dartmouth, N.S., with his wife Joanne, 37, son Jason, 12, and daughter Sarah, 10, said that the "love-note" must be provided for. He added, "The money has to come from somewhere and the middle class is where it comes from. There has to be some light at the end of the tunnel, but I don't see any there yet."

Angered: The view that social services are an essential safety net appears to be widely shared in Canada. But many consumers say they are angered by their belief that their tax dollars are misused. Peter Rippe, 48, a Lanes, N.S., industrial arts teacher, said that there are too many governing programs, such as subsidies for state-owned industries that compete with the private sector. "The way I see it," said Rippe, "is that the government is buying our votes with our money." This concern could be another obstacle for Michael Wilson, who, as he continues in his efforts to sell the GST, may find that Canadians are growing more than their growing tax burden.

FREDERICK CHESBROUGH with GLEN ALLEN in Halifax, LISA RAY DODGE in Ottawa, JANE ROSSMUELL in Toronto and DEBBIE WILSON in Vancouver

RUNNING IN PLACE

WORKING MORE BUT ENJOYING IT LESS

By most standards, Perry Peck, 38, Cherry Creek is a bit. After 10 years in the environmental field, Peck had a job that he believed in—vice-president of a Toronto head-rising firm for nonprofit organizations—and that paid him a comfortable salary of \$47,000. He had also married and celebrated the birth of a daughter. But he and his family were beginning to pay a hidden price. Peck says he found that he was putting himself to work between 50 and 70 hours a week to keep up. The job also required that at least half of that time be spent out of town, away from his wife, Catherine Stewart, 40, an education consultant, and their three-year-old daughter, Amelia. As a result, Peck found that his family was suffering.

[illegible]

Stress. Poit's experience is becoming a familiar one, as more and more middle-class Canadians find themselves working more but enjoying it less. Actually released by the Code of Ethics Board of Canada in September said that two-thirds of employees feel increasing stress as they try, and often fail, to balance work and family responsibilities. According to the study, the trend towards longer workweeks, as well as two income households, has stretched many families to the limits of their ability to cope. And more than 10 per cent of those surveyed said that they had "left a job because of a work-family conflict."

As well, the study found that slightly more than 10 per cent had turned down promotions and almost 25 per cent had refused transfers for the same reason.

At the same time, the number of companies that are trying to ease the family strain by providing benefits, such as day care or flexible hours, is still small. As a result, a growing number of employees are beginning to rebel—increasingly, they are choosing jobs with more

But for those who choose a career in a job where hours are long and stress is high—about not in every even full-time workers—the pressure continues to build. John Lylin, a professor of sociology at Ottawa's Carleton University, says that the number of hours a family must work to maintain a middle-class lifestyle has increased by 50 per cent since the 1950s. And most of the additional work being put in is by working wives.

In many cases, the stress has been growing tension and uneasy conflict. Lucille Perreault, director of the Toronto-based Canadian Centre for Stress and Well-Being, says that most and more of her clients tell her that they can no longer deal with work pressures. She added, "Especially if individuals are having trouble dealing with intense job situations as well as relationships at home can be disastrous."

employees claim that their are unaware of or unresponsive to the company's problems (see Myers, 48). She also says that the left is a medium-sized Toronto company less than two years ago. She says that the pressures of the company have become a "crisis." She says she worked for all that was you were telling. There is no feeling or caring for the company. Most people who are either single or on their own. If you had a family, they

time that has traditionally

middle- and upper-manage-
draped, more than 50 per
regularly took work home
1 per cent said that they
a weekend a month
ten-and-over business pla-



THE WORKING WOMAN

Percentage of workforce that is female



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WHEN IT COMES TO IRON,
SOME FOODS PALE
BY COMPARISON.

SO WHAT'S YOUR BEEF?

Did you know
a serving of
loam steak pro-
vides your body
with twice as
much iron as
chicken?

And surprisingly, today's beef is so much leaner: a serving of sirloin steak has as little cholesterol as an equal serving of chicken without the skin.

Of course, beef is still an excellent source of

protein, zinc and vitamin B12.

So the next time you want a vegetable, great-tasting meal, choose beef. There's simply no comparison.

BEYOND WAX
ZESTY BROILED STEAKS

<i>T</i>	any sweet	15 ml
<i>T</i>	small whole garlic, crushed	1
<i>Tsp</i>	grated orange rind	5 ml
<i>tbl</i>	dry red monarda, crumbled	2 ml
<i>tbl</i>	almond oil or vegetable oil	250
<i>Tsp</i>	kosher (dry) salt	5 ml

Mix egg, starch, garlic,
orange rind and marshmallows
together. Add steak.
Sara 2-3 drops to each
both sides. Let stand
5-8 minutes for
flavor to
be good. Add
2-3 teaspoons
veg. each side
or salad
browned.

Sprinkle with sesame seeds if desired.
Tip: To increase flavor, toast sesame seeds in non-stick skillet on medium-high heat, stirring often.
Serving Suggestion: Garnish with orange zest. Serves 2.
Preparation Time: 15 minutes
Cooking Time: 5 minutes
Per serving (with sesame seeds):
Fat: 7 g
Cholesterol: 64 mg
Calories: 186
Protein: 27 g

[illegible]

SO WHAT'S YOUR BEEF?

SOME COMPANIES ARE TRYING TO HELP THEIR EMPLOYEES COPE

Scrupy of the 1980s, as well as the need to be globally competitive, many companies are now designing more efficient productivity programs, especially, take from their employees. Said James Bookman, director of the Center for Career Management at Price Waterhouse, an accounting firm in Toronto: "Companies view everything today in terms of the bottom line—including employees. In 1988, the worker is a commodity to be used up and put out when he's no longer useful."

The longer workweek is also exacerbated by many employees themselves. According to Bruce Gillette, managing partner of Mattel, Gillette and Associates, a management consulting firm in Vancouver, many employees work extremely long hours out of an urge to succeed. For them, said Gillette, success means climbing the corporate ladder and attaining a high income. But he added that the era of rapid advancement is over. He claimed that there are now two middle managers for every available position, and getting ahead means an ever-growing accumulation of time and money. Said Gillette: "It isn't what you want, you have little choice but to put in the long hours. It's expected and accepted."

But some employees are looking for an escape. David Johnson, a 50-year-old credit manager who worked for Pacific Western Airlines from 1974 to 1986, survived his company's merger with CP Air two years ago. But Johnson recently left his job in Vancouver to start his own consulting company. "For the past two years, I've been working 50-hour weeks, and I was a wreck. There was a succession of long, stress-filled days but no recognition for putting that time in. Nobody noticed a job well done, but, say, someone was there quickly if something went wrong." As soon as he had enough time to qualify for early retirement, Johnson, who has four grown children, decided to change. Said Johnson: "Today, I still put in 50-hour weeks—but with a difference. These days, I wake up and think, 'I'm off to work, but it's my work and it's great.'"

Said some employees are unable or unwilling to leave their positions may soon begin receiving more help from their employers. Judith Macdonald-King, a co-ordinator for research projects at the Conference Board of Canada, a private, nonprofit research organization with affiliates in the United States and Europe, says that most companies have yet to introduce programs aimed at helping overworked employees.

But she adds that the situation is

improving and that employees should feel encouraged. According to Macdonald-King, the number of employees who offer support for child care centers is 4.8 per cent, a four-fold increase over the past decade. She pointed out, "A small but growing percentage of companies are recognizing that employee well-being is crucial to the bottom line and are taking initiatives."



Day care centres in Toronto stretching many families to the limits of their ability

As with the Conference Board study found that absenteeism, which amounted to about one-third of the full days missed over a six-month period, was for family reasons. Respondents reported that they missed an average three full days in the preceding six months. The study suggests a strong link between the level of an employee's difficulties stress and absenteeism.

Conflicts. Of those responding, the majority said that work-and-family conflicts were primarily an individual responsibility and only 44 per cent said their companies were "doing enough" in this area. But almost a third admitted that they would like to see their employers more involved and a considerable number said they would welcome more government input.

Karen Liberman, head of Families That Work, a Toronto-based firm that specializes in counselling corporations on the need to

accommodate workers who have families, says that some firms are becoming more proactive in their dealings with employees who work long hours. She added, "From the number of companies that are beginning to implement day care, elder care and employee-assistance programs, it's clear to me that bosses are finally waking up to the fact that the well-being of their employees has everything to do with the bottom line. The change has begun."

Employers. The Manufacturers Life Insurance Co. in Toronto, for one, has already begun to change substantially. A corporation that employs 1,800 people in Toronto, Manufacturers offers a wide range of services to its staff.

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BUSINESS WATCH



Taxing the already overburdened

BY PETER C. NEWMAN

A part from being politically suicidal, impractical, inflationary, just about impossible to administer and expensive, what's really wrong with Ontario's proposed Goods and Services Tax is that it threatens to bankrupt already overtaxed middle class.

The renowned British economist George Orwell once described himself as a member of the "lower upper middle class"—a class that could give its offspring "the misadventures of education but little adventure, wealth." That's a huge net that takes in this country's largest and most productive citizen group, about to be burdened with an additional \$5.5 billion, at least, in annual GST payments. Clarence Gordon, a Toronto-based accounting house, underlines the case when it calls the "levy" "the most significant single step in the recent history of Canada as taxation."

Treasury Minister Michael Wilson's new tax, due to be implemented on Jan. 1, 1991, is designed to protect those enjoying high income brackets by converting direct, uncollected, including deaths with taxes, investment losses, insurance companies and even currency holders. At the other end of the spectrum, Wilson has tried to force the economically underprivileged to paying \$14 billion in credits to families earning less than \$20,000 a year. The burden of the \$500-million monthly levy will thus be carried almost entirely by the already financially stretched Canadians in between.

As the cross-country hearings of the Commons Finance Committee have amply demonstrated, the GST presents to be a shambling and awkward beast, hardly able to stand on its own three feet. While basic groceries are classified as tax exempt, for example, prepared foods are not. But no one seems certain at what point a food becomes an edible meal. Cheese, for instance, will not be taxed—will cheese trays? Or sausage links, cold cuts, appetizer meats, that is, unless, or any other fast-food could end in grocery stores ready for eating?

Michael Wilson's sales tax promises to be a shambling and awkward beast, hardly able to stand on its own three feet

Deciding precisely what's taxable is complicated enough, but the real problem with the GST is trying to collect it at every level of processing. One example: a piece of furniture that would have sold for \$1,000 will cost future purchasers \$1,080. That seems straightforward. But, by the time all related taxes are included, Ottawa will have received its \$90 tax revenue from four separate sources: the retailer who produced the raw wood, the lumber dealer who worked it, the furniture manufacturer who shaped it, and the retailer who sold it.

This is the very simplest kind of trade in the multiple claims of GST payments and revenue sources that will dominate Canada's every economic transaction. No wonder the experts predict that an increasing number of frustrated Canadians will opt out of the system and follow the example of many South American countries, where a thriving underground economy depends on the barter of goods and services, bypassing all forms of taxation and other government-supervised channels.

Even if a few shambles comes together, and actually works, the GST, at its own authors' admit, will trigger a dangerous sort of inflation. Wilson predicts a temporary 24-per-cent consumer price jump for 1991, which, added to

the already forecast four- to five-per-cent increase, would mean a hefty consumer price hike of about seven per cent. That, in turn, would raise interest rates, which would cause declines in demand and output, the classic prescription for recession, put in their Midwestern is due to try and renew his solvency.

Clawing that kind of high political risk wasn't necessary. When New Zealand introduced its version of the GST, the finance minister enacted the measure overnight, as a budget-prescribing virtually no movement, and tentatively announced compensating reductions in personal and other taxes. In contrast, Wilson gave up the personal reductions a year ago (and to coincide with the 1988 election) but allowed an additional period of two years for taxpayers to get themselves really worked up against the new sales tax. During the interim, the finance minister's list of exceptions has prompted every special-interest group in the country to file its own claims for dispensation. The result has been political chaos.

The Maloney government's main justification for the measure is, of course, the need to reduce our federal deficit. That's a mild argument, but there are less painful ways to achieve it. While the middle-class taxpayer is overtaxed, Canada's corporations are not. Ottawa is still advertising over \$20 billion annually in tax breaks, special grants and incentives to business. In 1986, more than 80,000 corporations had posted combined profits of \$22 billion paid no tax at all. John Orr, a Toronto-based consultant, estimates that while tax payments by individuals and companies accounted for about equal shares of Ottawa's direct tax revenues during the 1980s, by last year personal taxes had risen from 38 per cent to 47 per cent of federal expenditures, while the federal tax from corporate taxes had declined from a 1985 high of 40 per cent to only one per cent.

Orr points out that if the corporate sector's tax share had matched that of individual taxpayers in 1988, Canada would have enjoyed an \$18.5-billion surplus instead of a \$30-billion deficit. "By virtue of the subsidies and capital incentives allocated to the corporate sector," he told the Commons Finance Committee, "their net tax contribution has been reduced to barely one-quarter of gross tax liability over the period 1980-1988."

While Ottawa grinds all the blame, previous governments have been equally negligent. More than the federal treasury. Over the last 10 years, the Maloney government's tax reform of 1988 had so little impact on reducing the middle-class tax burden was that most provinces chose not to follow Ottawa's lead in reducing rates. But the bottom line is simply this: If it's the middle class that pays most of the cost.

In my column of Oct. 23, I described the closing of Goodyear Canada Inc.'s Toronto plant and incorrectly implied that it took place because of the Free Trade Agreement. In fact, the factory was closed in 1986 and Goodyear Inc. later built a new, \$220-million factory in Hagersville, Ont., and maintains 15 other manufacturing facilities in Canada.

PEOPLE

A seductress at work

With her recent series of roles as a sleazy seductress, actress **Ellen Barkin** has established herself as a modern-day Hollywood femme fatale. And the sultry blonde, who appeared as a lusted wife in last fall's movie, *Oliver*, in 1992, appears determined to ensure that reputation as two movies released back to back this fall. In



Barkin: a sleazy reputation

Jeepster *Hardcore*, Barkin, 35, stars as a triple-crossing temptress who seduces a thief played by actor *Wayne Barlowe*. And in *Sea of Love*, she plays a murder suspect who seduces Al Pacino (the part of a police detective hot on her trail). Still, Barkin said that pretending to make love before the cameras is more a product of "hard work" than natural talent. She added: "It's like choreographing a dance. You get the steps down."

Catalogue of an unwitting collector

When he invited 500 friends to Monaco in August to celebrate his 70th birthday, tycoon publisher **Malcolm Forbes** established himself as the king of ostentatious self-promotion. And now, the flashy publisher of *Forbes*

magazine has documented his taste for the better things in life in his eighth book, *More Than I Deserved*. Part autobiography and part straightforward inventory of possessions, the colorful volume unabashedly shows Forbes's extensive acquisitions. Among the businessman's de-

Forbes' extensive acquisitions



Professional perils

Motivated from actor **David Pines** by his new documentary about stunt men, accumulated for broadcast in 1980 on Global TV, gave him respect for the risky business of performing stunts. Still, Pines, who stars in the daytime drama *The Guiding Light* on CBS TV, admits that being an actor can also take courage. Said Pines, 45: "When you get in front of the camera, the biggest stunt of all is being in line."

Pines: risky business of acting

A NIGHT TO REMEMBER

For Susan Bassett-Kleuber and 400 guests, it was a chance to look back. Last week, the widow of Canadian businessman John F. Bassett held a dinner in Toronto to raise funds for the city's Bassett/Heile Career Research Foundation, which Bassett had founded before his death from a brain tumor at 47 in 1986. Among the highlights: a performance by singer *Gordon Lightfoot* and the debut of the documentary film *The Final Season*, which deals with Bassett's fight with cancer. Said Bassett-Kleuber: "We all looked back, and that was healthy."

Charity drive

Her stellar form on the greens has earned golfer **Betty King** the title of Ladies Professional Golf Association Player of the Year for 1989. But last week, King, 31, took a break from putting golf balls and turned instead to driving nails—as a volunteer with *AgapeLife*. Ribbed for *Wannabe*, a nonprofit charity that helps housing for underprivileged families in the American South. According to King, who has worked for the Tennessee-based organization one week each year since 1987, working a hammer is not unlike wielding a golf club. Said King: "It's all in the wrist."



King: working a hammer



scribe a "money-green and gold" Boeing 727, 12 Rolls-Royce P-51 eggs, a fleet of 55 motorcycles and a French chateau. Still, Forbes claims that he did not set out to develop such an exhaustive array of possessions. With the billions: "I guess when certain things turn you on, and you accumulate enough of them, it's a collector."



GOOD TIMES. CALL FOR THE CAPTAIN.



CAPTAIN MORGAN RUM

A matter of size

Mergers are changing the legal profession

After five months of courtship, the marriage announcement came as no surprise. Still, when the partners of two Toronto law firms, Finken & Calton and Campbell Godfrey & Lewis, announced last month that they would merge on Nov. 1, the Canadian legal community took notice. The two firms, which as their merged firm will be known as Finken Campbell Godfrey, were already law firms on their own. Finken & Calton had 325 lawyers on its staff, and Campbell Godfrey & Lewis employed 185 lawyers. Counting the 139 lawyers from Finken & Calton's Quebec affiliate, Martinus Walker, the new firm has 350 lawyers, making it Canada's largest. Even the accolades in the apparently non-Quebec provinces are not counted. Finken Campbell Godfrey will be among the country's five largest law firms. Saul Walter Palmer, chairman of Campbell Godfrey's merger committee, "The law has become more complex. Together, we complement each other's areas of expertise."

The Finken Campbell merger is the latest in a trend towards ever-larger law firms that is gathering momentum in Canada—and which legal experts say is changing the shape of the Canadian legal profession. Most of the growth has come through mergers and acquisitions. Others have formed links with firms in other provinces to work on cases that cross provincial boundaries.

In the process, interprovincial firms with offices in several cities are emerging as new national powerhouses, while other Canadian firms are beginning to establish an interprovincial presence. As a result of the trend towards larger law firms, about 3,000 lawyers—an eight per cent of the nation's more than 35,000 practicing lawyers—are now working for the country's 20 largest firms. Some legal analysts have even suggested that midsize firms could disappear. Some critics object that mergers now lead law firms into conflict of interest, and they say that lawyers should not necessarily take law firms better. Still, with the recent consolidation in the cities, the large law firms have the prestige and the financial power to keep on expanding.

While Toronto's Bay Street law firms

remain among the largest in Canada, the trend toward bigness is affecting all of Canada's regions. Stewart MacKinnon & Covert, a five-lawyer Halifax law firm, announced in July that it had reached an agreement in principle to merge with McKeown, Mossday, Matheson of Saint John, N.S., making it the largest firm in the Atlantic region, with more than 50 lawyers. Owens-Bond Gowing & Henderson, with 150 lawyers, merged in July with Toronto's Strachey, Atchfield & Seagren to form the 220-lawyer firm of Gowing, Strachey & Henderson. Toronto-based McCarthy & McCarthy is currently Canada's largest law firm, with a total of 325 lawyers, following mergers in February with the Vancouver firm of Hyman, Little & Melanson and with Calgary's Black & Co. In April in Calgary, Peacock Robertson Fraser & March, with 82 lawyers, announced earlier this month that it had formed an association with the seventh-largest firm in the United States, Boston-based Pillsbury and Fenwick, with 690 lawyers. Private partner Francis Saville said that the relationship with the American firm, formed specifically to assist clients on both sides of the border in energy matters, is a

The Finken Campbell merger is viewed by many as a marriage of equals. According to Jack Norfent, president of Hildebrandt Inc., a Scarborough, Ont.-based legal management consulting firm that specializes in mergers, acquisitions and planning for law firms, most legal mergers are really acquisitions of smaller firms by larger ones. Said Norfent, whose company has been involved in at least 15 mergers, "If there have been any similar mergers they have been few and far between."

Speakers for some of the big new law firms insist that the trend towards larger companies is occurring partly because of pressure exerted by corporate clients who are increasingly involved in mergers and acquisitions with other firms. Arthur Spector, managing partner at McCarthy & McCarthy, said that many corporate clients want a single law firm that can handle all their legal transactions across Canada. Added Spector, "You want to be of a certain critical size to be able to do the big deals and more than one deal at a time."

Sector said that sometimes more than 30 lawyers, including specialists in litigation, tax law, securities and real estate, can be involved simultaneously in a major corporate takeover. Hugh Cowan, a partner with Gowing, Strachey & Henderson, said that being large enables a firm to offer a full range of legal services. Said



The law courts, Vancouver: ruling in favor of interprovincial law firms

Cavan "You can have experts that you can't afford to have on staff in a smaller firm." Joel Palmer of Campbell Godfrey, "As Canadian companies are expanding, we've got to parallel their growth."

Until recently, there were legal constraints that limited the expansion of Canadian law firms. But several recently contested legal battles have established the right of Canadian law firms to operate across provincial borders. A key case developed when McCarthy & McCarthy's former Black & Co. in a

stable firm in Calgary in 1991. The Law Society of Alberta promptly enacted rules that effectively banned the Toronto firm from appearing in the province through its associate firm. McCarthy challenged the law society's right to limit the firm's right to take the Toronto firm. After a series of lower-court decisions, the Supreme Court of Canada ruled in May that the law society's rules restricted the Canadian Charter of Rights and Freedoms, because Canadian courts must be free to enter a bring in any province. Now, provincial law associations say that they are in favor of interprovincial firms. Said Sylvia Bonstein, vice-president of the Bar of the Province of Quebec, which is currently amending its bylaws to allow

interprovincial firms to operate in Quebec: "We are 100 per cent behind it."

As the big law firms grow bigger, some observers have suggested that culture from big firms may be spreading out of the marketplace because they are too large for small clients but too small for the big-city corporate client. Said Calgary's Saville "The big work will go to the big firms." Said Stephen Malley, director of finance and administration for Balfour's Stewart MacKinnon & Covert, "The era of the generalist is not dead, but it's difficult, at any option, for middle-size firms who aren't specialized to maintain their spot in the marketplace." For his part, J. J. Camp, a civil litigation lawyer at Ladner Lewis, a 100-lawyer Vancouver firm, said that he does not foresee the legal landscape changing radically, because there is still a wide variety of clients needing a range of legal services. Said Camp "I think there is room for competent, small firms, competent middle-sized firms and competent large firms."

Still, some lawyers argue that the trend towards bigger law firms may dampen the legal profession in other ways. Some lawyers fear that as law firms get larger, competition based on cost-cutting will drive the most inco-

ant and challenging legal work away from the regions. "Until recently, you've had to have B.C. lawyers to do work in B.C.," said Jack Giles a Vancouver lawyer who works for the 60-lawyer Farris, Bagnall, With & Murphy. "But if it's much easier to do the work in Toronto, that's the cost of corporate life. Our young lawyers will have to go to Toronto or to pursue." But Camp, for one, said that he expected the reverse will also happen because the best lawyers go where the best work is. He added, "You get clients who say, 'Look, I want lawyer X to handle my business, whether it's here in Vancouver or Calgary or Toronto.'"

Other lawyers say that serious conflicts of interest can arise when companies merge and feel that the newly merged firm is representing both sides in a legal case. At other times, newly merged firms find they are representing most interest that does not want to be represented by the same law firm. When Gowing & Henderson, which represented the Canadian Medical Protective Association, a doctors' self-defense organization, merged with Strachey, Atchfield & Seagren, a Strachey lawyer left the firm so that she could continue to represent the Ontario College of Physicians and Surgeons, a medical disciplinary body. In other cases, legal clients debate that the law firm gave up one of its clients.

Some critics even question whether giant law firms make sense financially. Harold Ellett, who became a partner with the 75-lawyer Toronto firm of Stubbly, Ralston & McCulloch in 1987, said that he was a smaller, 11-lawyer firm, and said that some law firms become more expensive to run as they become bigger. Said Ellett, "You end up with more overheads, and bigger overheads, to run the firm. The overheads are usually comprised of the senior partners' salaries, who are earning a lot of money. Law Conventions can become an alibi around the neck of effective management." Ronald Peck and Raymond Larkin, who run the seven-lawyer Halifax firm of Peck-Larkin, are former members of the Balfour's Stewart MacKinnon & Covert. The two broke away when their successful legal practice at the firm was too difficult with the firm's corporate and commercial clients. Larkin said the two men appreciate the quality of life issues these days at their small firm. Said Larkin, "We designed an environment that fits the style of our practice. We're all happier now."

Still, legal experts say that many Canadian law firms are likely to keep on getting bigger. Indeed, Hildebrandt's Kaufman predicted that more Canadian firms may approach the 300-lawyer mark by 1995. But he said that he does not encourage them, because as big as some U.S. firms, which have more than 3,000 lawyers, Gowing's Cowan said that within five years, two or three genuinely national firms will probably emerge with offices in every province. He then, the law firm partners and their clients will be able to judge for themselves whether bigger is really better.

BARBARA WICKENS is a correspondent/reporter.



Scott: "You want to be of a certain critical size to do the big deals"

first for a Canadian firm. Still, critics predict that the trend will continue because of free trade. Indeed, the Philadelphia-based firm Phipps, Blackwell & Selinger announced in Oct. 30 that Alan Corbett, the former ambassador of Canada to the United States, will become an advisor at their Washington, D.C., office on trade-related issues.

the big deals and more than one deal at a time." Scott said that sometimes more than 30 lawyers, including specialists in litigation, tax law, securities and real estate, can be involved simultaneously in a major corporate takeover. Hugh Cowan, a partner with Gowing, Strachey & Henderson, said that being large enables a firm to offer a full range of legal services. Said

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JUSTICE

Cops above the law

An astonishing suppression of evidence

When terrorist bombs blew apart two pubs in the southern English town of Guildford on the evening of Oct. 5, 1974, Paul Hill was asleep in his Irish lodging home in north London. But within weeks, he had been swept into a legal nightmare that was to last for almost 15 years. Hill and those others were convicted of

they made to police investigators. During those trials they maintained that police had covered their own accusations themselves. But the Guildford bombings came in the midst of a series of deadly IRA attacks on civilian targets in Britain that provoked widespread public revulsion against Irish terrorism.

In that climate, the Guildford Four were convicted, and they lost an appeal in 1977. Over the next few years, however, several prominent figures—including two former senior judges and Cardinal Basil Hume, the Roman Catholic Archbishop of Westminster—urged the government to review the case. In 1987, Hill ordered an independent police investigation. Left over, Hill was named foreign secretary in a cabinet shuffle prompted by the resignation of Chancellor of the Exchequer (finance minister) Nigel Lawson. David Waddington was named to succeed Hill as home secretary.

It was only last May that officers looking into the case came across the evidence that prompted the appeal court to force the Guildford Four. In the files of the Surrey police force, which had carried out the original investigation, they found papers showing that five detectives had altered key documents, including the notes of their interviews with the four suspects, and suppressed crucial evidence favoring the defendants. As a result, on Oct. 18 Hill ordered a criminal investigation to determine whether those officers should face charges, as well as a separate judicial review of the entire case. That review will consider whether English law should be changed so that courts can no longer convict suspects solely on the basis of uncorroborated confessions, as happened in the Guildford case. Scotland, which has a separate legal system, already has such convictions.

Supporters of the Guildford Four maintained last week that the affair indicated the unwillingness to let beyond a handful of junior detectives. Indeed, they argued that it showed



Confess the odds were against him because he was Irish

planning the bombs, which killed five people and injured about 60 more, on behalf of the Irish Republican Army (IRA)—and were sentenced to life in prison. But last week the so-called Guildford Four were free after Britain's Court of Appeal ruled on Oct. 18 that they had been misled by police officers. After that court overruled the convictions, Home Secretary Douglas Haug—also ordered an inquiry into the wrongful convictions—officially admitted to the House of Commons that "there has been a serious miscarriage of justice."

The release of the Guildford Four about coincided in British justice at one of its most sensitive eras: the disclosure of its related cases. The four—Hill, Patrick Armstrong, Gerard Conlon, and Charles Richardson—were convicted solely on the basis of confessions that

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many politicians and court officials who have subsequently risen to senior positions. Even a former senior judge, Lord Denning, noted that the case had seriously undermined public confidence in the police and courts. Britain's criminal justice system, he said, "lay in ruins."

Others drew more political conclusions. General Coslett, released at the age of 35 after almost 15 years behind bars, told a British television interviewer that the odds were against him when he was arrested, simply because he was Irish. And Coslett, who spent last week with relatives in Belfast, "I'd you are

Irish and you are arrested on a terrorist, political type of offence, you do not stand a chance." Paul Hill, also 35, added that the framing of the Guildford Four "was a way of terrorizing the Irish community." And Irish Prime Minister Charles Haughey said that the case showed that British justice "can be completely subverted."

Last week, the Irish government asked Britain to review another terrorist case: the jailing for life of six men for the 1974 IRA bombings of two pubs in Birmingham, in which 21 people were killed. Irish Justice Minister General Coslett was preparing a list of similarities between the Guildford and Birmingham cases, including

allegations that police extracted false confessions and falsified custody records. Hard, however, said that there were no grounds for reopening the case of the so-called Birmingham Six, who lost a judicial appeal of their convictions in February, 1985.


The admission that the Guildford Four had been wrongly imprisoned came at a time when new doubts were already being cast on the administration of justice in Northern Ireland. Confidence in the security forces was shaken in recent weeks by revelations that members of the Ulster Defence Regiment (UDR), an overwhelmingly Protestant force that works alongside regular army troops in Ulster, had given the names of IRA suspects to members of Protestant paramilitary groups, in effect setting them up for political assassination. In early October, 35 UDR members were arrested as part of an inquiry into the leaks. And at a meeting of British and Irish government ministers following the release of the Guildford Four, agreement was reached on ways to tighten control over the handling of security information by the UDR.

The Guildford case also dealt a heavy blow to attempts to restore the death penalty in Britain. At the 1971 trial, the presiding judge, Lord DuBois, told the defendants, "And capital punishment been in force, you would have been executed." After the appeal court quashed their convictions, politicians from all parties said that the outcome would count heavily against any demand to bring back capital punishment. Although Prime Minister Margaret Thatcher is a strong supporter of restoring the death penalty for what she calls "particularly heinous murders," several of her most senior ministers acknowledged that the Guildford case would likely and debate over the issue for many years.

For her part, Theresa Swallow, Paul Hill's aunt, who had campaigned for his freedom, declined after the court ruling: "Thank God there was no death penalty, because these people wouldn't be alive today." British members of Parliament last rejected capital punishment in June, 1985, by a 123-vote majority in the House of Commons.

For the former Guildford prisoners, however, the immediate problems last week were more immediate. After spending virtually all their adult lives in prison, they faced the difficult task of rebuilding their lives. Patrick Armstrong, 39, and Corrie Richardson, 32, went into education and were reportedly receiving excellent help. They lawyer, Alastair Logan, said they were suffering from "great anxiety and considerable confusion." Paul Hill spent his first full day of freedom with his 14-year-old daughter, Kara, who was born during his trial. He took a brief stroll outside, but confessed that he was "shockingly petrified" about crossing the street after so long behind bars. For all four, however, financial concerns will likely soon be eased. All are eligible for government compensation for wrongful imprisonment—socially about \$12,000 for each year spent in prison.


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DAD
Directed by Gary David Goldberg

There used to be a clear distinction between the way movies and television dealt with emotional issues. The big screen was a place for dramatizing mythic dilemmas or grand acts. Television tended to nurse familiar experience most intimately in the family sitcom. But the distinction has become increasingly blurred, and in a new movie called *Dad* it nearly disappears. *Dad* is the first feature written and directed by Gary David Goldberg, the creator and executive producer of the sitcom *Family Ties*, which vaulted Michael J. Fox to fame and aired its final, sixty-episode last season. The movie stars Ted Danson, from the sitcom *Cheers*, as the son of a dying father played by Jack Lemmon. *Dad* is a sixteen-drama almost guaranteed to trigger tears—and a few smiles—among those who have had to deal with a parent's terminal illness. But in the end, its emotional impact is buffered by resonance. And the result is more therapeutic than dramatic.

Based on the 1981 novel by William Wharton, *Dad* deals with heart disease, cancer, anxiety and death—all in a positive light. Jake (Lemmon) is a doddering 75-year-old retiree who has lost the ability to take care of himself. He lives with his wife, Betta (Danson), a devoted but domineering woman who is slowly murdering him to death. She puts the toothpaste on his toothbrush, the sugar in his coffee and the butter on his morning sweet roll.

One day, Betta has to sit down in the front-end lot at the supermarket as she suffers a mild heart attack. While she recuperates at the hospital, their son John (Danson), a high-powered executive, takes time off from work to spend as much time as he can with his father, who is expected to recover but dependent. Jake has become. Tackling the problem with mutual empathy, he tries to make the old man self-sufficient. Jake learns the simple pleasures of playing tennis, making loans, making breakfast. Before he finally craves their bond by sorting piles of books and cello, And John rediscovered his sense of humor. "I know what it means to be old," he says. "It means that

most people would rather you be dead." When Betta returns from the hospital, she does not appreciate her husband's sudden apathy for independence. But she barely has time to register her dissatisfaction before another crisis strikes the family. Jake has to be hospitalized—with a bladder ailment that proves to be cancer. The diagnosis sends him into severe psychological trauma. And while



Lemmon: above and beyond the call of duty

John struggles to repair the damage, he also tries to mend a frayed relationship with his own son, a modern man sympathetically portrayed by Ethan Hawke.

Unfortunately, *Dad* reaches its peak of emotional intimacy midway through the movie, with Jake's graphically depicted deterioration. From then on, the drama seems devoted to

helping the audience recuperate. Briefly rejuvenated by what a psychiatrist terms "successful schizophrenia," Jake shows signs of recovery. He says he wears fancy clothes and, to his wife's horror, he rediscovers his sex drive. It is all very cute—and accidentally reminiscent of 1980's *Cheers*, in which senior citizens chance upon an elder of youth.

The attempt to sweeten a sad ending undermines the realism of a movie that, after all, manages to talk clinically about cancer of the bladder. Lemmon, however, goes above and beyond the call of duty. The 64-year-old actor shed 30 lb. to convey the frailty of a sick man 11 years older than he is. Almost unrecognizable under elaborate makeup, he gives the kind of broken performance that makes father-son tales in their own right. Meanwhile, an accomplished Danson makes the best of his severe, pathetic role. And so John's mother, Anne, Kathy Baker stands around looking weepy and helpless. *Dad* succeeds as a father-son buddy movie, the women only get in the way.

For his part, Danson is like a flock of geese on wheels. His character waxes a heroic light to rescue his father from an overbearing wife and a bad doctor. Presumably, he undergoes a transformation—from mediocre businessman toiling man, but when it comes time to express a twinge of empathy, Danson looks as if he would rather be back behind the bar on the set of *Cheers*. His behavior seems incapable of inspiring a notice. And that is the most frustrating aspect of a movie that is clearly aimed at Lemmon's generation—the baby boomers glibly wondering how to manage aging parents.

Goldberg's conscientious script captures frustration with the cold-blooded bureaucracy of hospital care. It captures the awkwardness of father-son relationships. And it contrasts the privilege of a yuppie overachiever with the sacrifices of a working-class father who, as John points out, "got everything done in his life and went to a job he didn't like." The son of a post-office worker from Elizabeth, N.J., Goldberg says that he mixed the Wharton story with elements of his own experience. "I thought my father was a heroic figure," said the film maker. "He worked all his life in a shop he didn't like so his family could prosper."

Dad glazes the rest of poignant moments and telling details that make *Family Ties* more fun than a soap opera. The director has not escaped the caprice of his actors' careers—or the negative influence of his close friend Steven Spielberg, one of the movie's executive producers. But he has taken on a daunting challenge—and performed the industry's toughest challenge: to mix old Hollywood entertainment.

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Eye of the needle

Addicts get a realistic portrayal on screen

DRUGSTORE COWBOY
Directed by Gus Van Sant Jr.

Most movies about drugs are thrillers in which well-dressed, well-armored gangsters exchange bags of white powder for stacks of cash. *Drugstore Cowboy* is different: A compelling, dark-humored drama, it offers an addict's-eye view of the drug wars in 1971, when they were being fought on smaller fronts. That was before skills turned second-hand syringes into lethal weapons, before cocaine—bred crack became a catalyst of social decay and before Colombian drug cartels were a force in international diplomacy. In this early 1970s, hard drugs will be limited to a relatively obscure subculture—the back-street world of the needle and the apologetic Add compared with the more serious misadventures of crack, the odious heroin addict seems almost quaint.

Drugstore Cowboy stars Matt Dillon as a junkie thief who robs pharmacies to support his habit. The movie avoids the usual moral pitfalls—it does not romanticize or condone drug use. Nor does it apologize for it. Instead, it examines the fatalistic psychology of the addict from the inside. American author William S. Burroughs, who makes a memorable cameo appearance in the movie, defined that state of mind in the prologue to his 1953 novel *Junky*: "Junk is not a kick," wrote Burroughs. "It is a way of life."

The movie is based on an unpublished novel by James Fogle, a 32-year-old inmate of the Washington State penitentiary who is serving a 12-year sentence for crimes similar to those portrayed in the film. It is directed with gritty realism by Oregon filmmaker Gus Van Sant Jr., in the city of Portland Van Sant's previous film, *Mala Noche*, depicted a doomed romance between a Mexican migrant laborer and a chick in a liquor store. Coming a little more than 10,000, it won the Los Angeles Film Critics Award for Best Independent Film of 1987.

Drugstore Cowboy is the story of a hard-living underdog, Dilongorey Bob, the leader of a no-nonsense crew of addicts who rob small-town pharmacies in the Pacific Northwest. The opening scene shows him slowly sneaking in the night of an ambulance. Doubting as the movie's narrator, Bob explains without pride or regret that he was once "a handsome hell-raiser dope fiend." He fondly describes the sensation of shooting up, recalling that it "began as a



Lynch (left), Le Gros, Graham, Dillon: Intuitive psychology

way arch that merged along until the brain consumed it as extended feedback."

Bob and his wife, Denise (Kelly Lynch), are a Kansas-and-Chile duo based on pharmaceutical purity and the adrenalin rush of heroined theft. Their street-and-gala crew includes a shy young accomplice, Rick (James Le Gros), and his naive girlfriend, a pretty teen runaway named Nadine (Shelley Long). While his partners create directions, Bob himself behind pharmacy counters and employs the drivers of

drugs. In one robbery, Nadine distracts the pharmacist by taking an epileptic fit.

The gang operates like a small but vicious business. The addicts steal enough drugs to feed their habits and to pay the rent. But Bob is also addicted to his work. After completing a successful job, he is slowly trickling to cocaine another robbery. "It's like a crap game," he tells his wife, who would rather make love. "When you're hot, you shoot the works." Bob never stays one step ahead of the law. Addicted by paranoia, he has constructed an elaborate web of superstitions. Never look at the back of a mirror, he warns his young accomplices. But, above all, he stresses, never leave a hat on the bed—"The God damned hat on the bed is worth at least 15 years of bad luck."

Drugstore Cowboy's insight into the tortured lives of the addict is both funny and haunting. The script has the cinematic quality that can only come from firsthand experience. The occasional attempts to portray Bob's drug-induced visions with visual effects are a little precious, but, on the whole, the movie is immensely credible. Van Sant directs the drama in a fast, spare style, portraying Portland with images that have the dull, blood-drenched look of a junkie's skin.

Dillon, meanwhile, gives a powerful performance. His voice contains a chilling intensity throughout. Even as a narrator, looking back on the folly of his life as an addict, Bob remains brutally honest. "I like drugs," he admits. "I like the whole lifestyle—it just doesn't pay off."

The movie's philosophical-revelance, however, is *Drugstore*, who appears late in the story. Portraying a disheveled priest, an addict who has known Bob since childhood, the wasted author lectures in the role, as if his literary capricious were at stake in every frame. His character is an amalgam of junk, a last words with the last word is pharmaceutical prophecy. Believing the obduracy of the addict, the priest says, "I don't think I'll find anyone to the drug problem."

Like the priest, *Drugstore Cowboy* provides no easy prescriptions. But, despite the bleakness that it portrays, it is not depressing. Journeying through a maze of crime and chaos, the police that disrupt the scheme of controlling his destiny before finally surrendering to him later. Although his temptations often go unaverted, survival, it is a strangely uplifting

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TASTE THE ADVENTURE

Games people play

Two fantasies built on risk and revenge

One of Hollywood's specialties is telling implausible tales in the course of arduous but entertaining diversion, two new ones from Britain, *Queens of Hearts* and *Drowning by Numbers*, tell implausible tales in the name of fantasy. Both are independent produc-

tions by British directors working with modest budgets. And both are allegories about taking risks, playing games and getting revenge. But the similarities end there. *Queens of Hearts* is a light, spry comedy about an Italian immigrant who gambles his family's fortune in

games of chance. Pure whimsy, it has a clock-work plot, spring-loaded with a happy ending. By contrast, *Drowning by Numbers* is a surreal, satirical descent to the dark side of English gentility. It is a brilliant black comedy about three women who murder their husband without remorse—and with the complicity of the local coroner.

There have been scores of movies about Italian-Americans in New York City, from *The Godfather* to *Scarface*. As a film about an immigrant family in contemporary London, *Queens of Hearts* offers a new twist on Little Italy. A fiery tale about family roots, it is written with nostalgia, not by Tony Frasca, the British-born son of an Italian immigrant. And it is easily directed by Joe Aspel, who filmed 1986's internationally acclaimed BBC TV series, *The Singing Detective*.

Accompanied by a sound track of seeping harp and strings, the narrative begins with a wild chase against a sweeping backdrop of ancient towers and odious rooftops in the medieval Italian town of San Geronimo. Against her wishes, Rosa (Anna Zagari) has been promised to the crude and violent Barbarossa (Roberto Amadei). Rejecting his advances, she escapes with her sister of choice, Daria (Joseph Long). Narrowly eluding Barbarossa—who, wielding a butcher knife, chases Daria to the top of a tower—they flee and emigrate to England. There, they raise four children in quiet seclusion. The youngest 18-year-old Riddle (Dan Haskins) arrives at the story's comic climax.

One Christmas Eve, Daria receives some advice from a sucking pig speaking to him in a vision. "Only if you trust the crown will you become a man of property—but beware the King of Swords," warns the pig. Both the crown and the sword refer to the symbols on Tarot-like playing cards. Taking the pig's words to heart, Daria makes a small fortune in a card game—enough to buy a small bar called The Lucky Club and to make a down payment on a gleaming new capacious machine. The family prospers. But, of course, the King of Swords—and the vengeful Barbarossa—are bound to show up sooner or later. When they do, *Queens of Hearts* shifts into high gear, completing the symmetry of the plot with melodramatic force.

Spanning three generations, Daria's family is full of colorful characters. Her dour grandmother complains to her grand-darling grandson about the sun of her system. His aging grandfather chides a mysterious lion that he signs will "make things right." His eldest boy betrays the family for a fast buck and a shiny suit, while young Riddle makes mischief with a street acrobat. Some of the characters are elaborate archetypes, as flat as playing cards. But strong acting actors drive some alive on screen. Lining up a close symbolic rules as long and queer as *hearts*, both Long and Zagari are touching in their vulnerability, leading emotional ballast to a happy conclusion.

In *Drowning by Numbers*, love does not float, it sinks. An English tale of the absurd, it is a satire about snooty, staid women, dead men, decay, insects, sheep, the steable and



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English gentlemanship. The story concerns three characters, each named: *Classé Colpitts*—a grandmother (Joan Plowright), a daughter (Judi Dench) and a grandfather (Gladys Knight). One at a time, at measured intervals all three women invade their husbands by drinking. Each time, it is an almost causal act of resentment. After *Classé* One downs her drinks (space is a hindrance), she offers various excuses to the camera—“because he was selfish, because he stopped watching his feet. Because his nose was too red, because he had a hairy backside.”

Each of the women personifies the local essence, *Madgett* (Bernard Hill, to name a third one). And in each case, he takes the perpetrator out for a drive in his black Jaguar and tries to extract a suitable consequence in exchange—without much success. Living with his son in a remote home, *Madgett* is an eccentric who delights in playing peculiar games such as such as *Hagman's Croquet*, and *Shemp* and *Tales* (Hagman's friend of *Shemp* the bear)—“for emergencies,” he says, explaining that they are useful for *madness*.

The corner's son, a bespectacled lad named *Sean* (Joan Edwards), has developed his father's flair for games into a morbid hobby. The very other English schoolboy sport, *Invitation* and *make lists* of their members. *Sean* likes to monitor death. Whenever he finds an animal killed by the roadside, he marks the spot with a stick of plaster and one of some framework. “A great many things the *world* of the time,” says *Sean*. When human beings start creeping up, he has a heyday.

Meanwhile, suspicious relatives of the deceased begin appearing against the sunset, holding complex signs under the local water tower. Eventually, they confront *Madgett*, who challenges his parents to a tag-of-war. But the movie's dramatic master of gentlemanship is a writer-director, British film-maker *Peter Greenaway*. The movie is itself an intricate game, an Alice-in-Wonderland world riddled with absurd rules. The opening scene shows a gift wrapping scene while counting stars. She shops at 200—“one you've completed 100,” she says, “all the others are the same.” Then, as the story unfolds, it is a piece by the members 2 to 100 which appear one by one, painted and printed around the landscape like clues in a secretory hunt.

Greenaway—whose earlier features include *The Draughtsmen's Contract* and *A Zed and Two Noughts*—strategies the movie's images with a painter's eye. Using a special process to alter the color values in the processed film footage, he creates scenes of English countryside that look more like paintings than photography. Each looks at the film's landscape like an ancient fence, introducing the area and straying the women. In the end, the story adds up to a feminist revenge fantasy, miserably played out from a male point of view. All in all, it is a great fun. And it is the dark and delicious depths of *Greenaway's* members, that counts for a lot.

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DANCE

Bodies in collision

A Quebec troupe shakes up the dance world

The disruptive but muscular dancer enters her body. Then, arms windmilling and white-limbed hair flying, Louise Lecavalier spins horizontally, like a propeller in a swirling vortex. The startling act is typical of the outrageous body language of the Montreal-based contemporary dance troupe La La La Human Machine. Or, as dancers hurl themselves onto the floor with probing shivers, Rowses meticulously beat out a shift. Couples perform duets that seem to be a search about flying apart as coming together. Wildly successful in Canada and abroad, the troupe has collaborated with British rock star David Byrne, and its current production, *New Demos*, has been seen by more than 226,000 people on four continents. Critics have reacted to verbal acrobatics in their efforts to describe them. Chris Roberts of London's *Evening Standard* has called them "the most seen in the stagnant duck pond of English pop culture."

Under the leadership of its 35-year-old Montreal-based founder and choreographer Edward Lock, La La La Human Machine exploded into the international dance scene with its 1983 production, *Alors on danse* (Then we dance), which has long explored the charged territory of endogamy in his own work, saw a role of the gender-bending Canadian troupe and proclaimed them "the finest dance company of the Eighties." In 1984, he invited La La La to dance with him, while he performed his song *Look Back at Anger* at a London charity gala. The performance was later reported for *Why Around the World*, a radio-created in honor of the Seoul Summer Olympics, which was broadcast simultaneously in several countries, including Japan and Italy.

This week, the company returns to Canada from a four-year world tour with *New Demos*, an AG-awards work that premiered two years ago in Montreal. The show will open in Toronto on Nov. 1, and later in the month it will return to

Vancouver and Quebec City before returning to Montreal in December. The creation, which combines film and video projections and choreography with dance, has no story line or element. There is a primarily a celebration of movement. And while it resembles *Flamenco*, it has a more refined and polished mood.

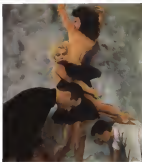
To a great extent, the differences between the two worlds are in the music: while *Flamenco* has had an edge, Western rock seems, New Demos' subterranean, obscure Eastern devotional music with crunchy guitar solos. Lock commissioned the score, which features segments with titles such as *Angels from Outer Space*, from the London-based West India Company, a band specializing in the fusion of Asian music and rock. From *Shantana*, a Montreal-based singer of West Indian descent, and Montreal guitarist Sylvain Provençal, dance the stage with La La La's four dancers—Lecavalier, Françoise Lévesque, Marc Beland and David Wilkerson. As in the company's earlier shows, vigorous dance segments alternate with elegant bits of theatre presented by Lock himself. In one, the slender, almost hermitic choreographer talks to the audience while lying on a bed of spikes, as another, he attaches pulse monitors to a few spectators, and the dancers begin moving in time to an amplified heartbeat that pounds through the theatre.

Speaking by telephone from Leveson, Belgium, the first European stop on the *New Demos* tour, Lock said last week that he would rather let people formulate their own

responses to his work than attempt to explain its meaning to them. But he added that he believes an artist's function is "to break habits, to force people to let go of preconceived ideas."

Born in Morocco to Spanish parents and raised in Montreal, Lock studied film at Montreal's Concordia University before founding La La La Human Machine, which later became La La La in 1989. Two years later, the Montreal-based Lecavalier was, she says, feeling "disappointed with modern dance" and contemplating a move to New York City when she saw a performance by Lock's group. She now recalls believing that Lock had something many of his contemporaries lacked—an ability to communicate forcefully with an audience—and she joined his company in 1982.

From the outset, Lock's approach to dance has been unconventional-chattering. The choreographer says that he has never believed that men should do all of the lifting in dance. "I used to feel that women are very powerful," said Lock. "It just doesn't strike me as natural to put women in weak positions." Lecavalier adds that she gradually acquired the strength needed to lift men who weigh substantially



From *New Demos*: taking risks with startling body language

more than she does simply by releasing *Alors on danse*. Lock also wants tradition by choreographing movements in silence and adding the music score only as a finishing touch. Such

Lock. "You have to be much more conscious to create a dancer that people can look at as a dancer that you do when you just lean on the music."

Everything from La La La's name to its avant-garde but eclectic costumes—the women sometimes combine tutus with spinning bicycle skirts and running shoes—suggests a high, subterranean. The absence of a unifying story line and the frenetic, breathing nature of the movement are also highly contemporary. But while swift and dynamic itself is in the show is made of the vigorously hip act, the dominant message of La La La is one of possibility.

Lock says that when performers set themselves the task of doing something difficult onstage, the audience automatically wants to see them succeed and faces that they will fail. "When, through effort, a performer does manage to keep that promise," he added, "it gives people the hope that they will be able to meet the goals in their own lives." Risk-taking and exhibiting a performance by La La La is an enormous demand—and a reborn strength.

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BOOKS

Murderous secrets

Ruth Rendell plans to write a new thriller

When Ruth Rendell was about to read from her latest murder-mystery novel, *The Endowment*, at Toronto's International Festival of Authors earlier this fall, she confided to the audience, "I'm told I'm supposed to frighten you all." The celebrated British crime novelist—whose works range from complex portraits of psychopaths to more conventional police-detective thrillers—was in North America to promote *The Endowment*, her third book in an interview with *Maclean's*, the first, well-known Rendell, 56, acknowledged that some of her works create stronger notions about their creator in the minds of the public. Said Rendell: "People expect me to be demonic and sinister."

The London-born author says that she now wants to present another view of psychological suspense, writing as Barbara Vine, the pseudonym she has used for three novels published since 1988. "I'm more interested now in what ordinary people do in the face of extreme pressures," she said. Rendell herself, as one of the most popular crime writers in the English language, handles the stresses of literary fame with apparent ease. She is gracious but firm with the media, drawing to discuss her personal life, married at 20 to publisher Donald Rendell, she has a grown son, Simon. Six years ago, she and her husband escaped the hubbub of London by moving to a 15th-century cottage in Polkott, Suffolk. There, Rendell continues to build on her prodigious output of 20 books in 20 years.

Her compellingly readable books—which have won her virtually every major crime-writing award, from the U.S. Edgar Award to Britain's Silver Dagger Award—are now available in 16 languages. An estimated 15 million copies have been printed worldwide. Much to her irritation, she has been labelled by reviewers and pocket-blurb-writers in "the new Queen of Crime" and the night of someone to Agatha Christie. "It's all such rubbish, those tags," she says. "My books are nothing at all like Agatha Christie's, and the Queen of Crime—no, really."

Rendell is right of course. Christie's novels were mostly set in idealized British villages disrupted by a violent murder. The amateur sleuths, Hercule Poirot and Miss Marple, more clearly exorcised what Christie was to

nature order and justice to the essentially bourgeois place. But in Rendell's fictional world, murder and violence are not shocking aberrations, but as all-too-possible occurrences behind the closed doors of suburban towns and London row houses. Murder inevitably stalks the lives of those encountering it—and their notions of what normal life is.



Rendell: "People expect me to be sinister."

Life could not be more normal—or so close to it—for Philip Warriner, the main character in *The Endowment* (Doubleday, \$22.95). But almost from the first page, there is an inescapable sense of menace, even though the setting is idyllicly evocative. Philip is a 34-year-old man working for an interior design firm. He lives with his widowed mother and two sisters in a lower-middle-class suburb of London and worries about them in a vague way. But he is soon distracted from these domestic concerns by Sonia, a landlady at his sister's wedding.

To Philip, Sonia leaves a remarkable revelation: to the lawless world state as his family's backyard—each plays a significant part in the murder that follows. Sonia seduces the shy Philip, telling him that she knows that she has lost "The time to my sad, the other

Death by water.



Silent and deadly, a killer stalks the children of the developing world. Doomed as a never of life, it holds within a single drop the potential of death. Children and adults treat it as an ally in their fight against the hardships of poverty—but it remains a silent enemy. Its name is water... and that year it will claim as its victims half the children in St. James's village.

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BOOKS

half." As he becomes increasingly obsessed with the usually vanishing Senta, Philip is drawn into her world, strange when living in a nondescript house, she inhabits a twilight world of wine, sex and half-baked mysticism. She confuses Philip by telling him ball-tricks about her work in the theatre and her early family life. He ignores much of her conversation, mostly about wine and their shared dining, but then Senta demands that "to give their love, each of them has to kill someone to place themselves 'outside ordinary society'."

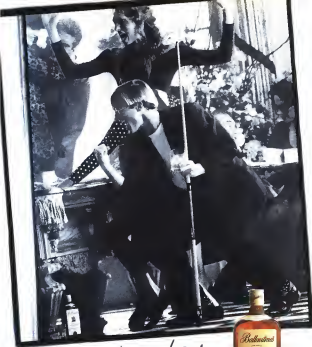
It is a credit to Roswell's skill that she makes that melodramatic premise credible. She is able, through her closely observed portraits of daily life, to create a believable world that fits Philip's days. His job, which involves visits to depressed women having their homes renovated, is fraught with boredom and with sometimes humiliating demands. There is a predictable but also comforting ritual of TV, music, family chatter and walking the dog. Mixed in that everyday routine, the seductress Philip meets Senta's proposal to the overwrought imagination of an actress—could she convince him that she really has killed a man with her other dagger?

The *Brotherhood* is one of several Roswell novels, although not the most successful, about deeply damaged characters in a wildly realistic social setting. Other titles, such as *Master of the Moor* (1982) and *The Killing Gull* (1994), created antagonistically creepy characters, even more convincing than Senta. By contrast, the most conventional Roswell tales are the 14 Westford books, which have inspired eight TV series in Britain. They feature police Insp. Reginald Westford, a sensitive family man who figures out the murder puzzle with a mixture of traditional police methods and psychological insight. His normalcy is reassuring, and through his eyes Roswell observes the social and economic changes that are altering the fabric of British life. Many readers have written to the author asking if she has a special fondness for Westford. "I've been asked most questions about whether I'm a love with him," she says. The truth is—in fact, Roswell has said that she plans to kill him off in a novel to be published posthumously.

When asked how she creates such complex yet recognizable characters, Roswell responds that, while she does not know any psychopaths or murderers, "I do know people who are not very far off that." She says that in order to create a character, "it's only necessary to start beside somebody as a bus queue, or sit in a pub listening to other people's conversations." *Julian Roswell*: "The writer's imagination should be able to do the rest."

With two books out this fall—*The Brotherhood* in hardcover and a Barbara Vine paperback called *The House of Sins*—and yet another Barbara Vine work, called *Goldfishes*, she has release and spring. Ruth Kniffel's brittle imagination shows no signs of slowing down. That clearly is a boon for her devoted, and sometimes spoiled, fans.

DAISY TURBIDE



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BOOKS

Undercover fantasy

Heather Robertson imagines Canada's famous spy

NOIR

Jay Weidner Robertson
(James Lorimer & Co. 251 pages \$26.95)

Winnipeg-born journalist Heather Robertson has fashioned a career for herself by turning Canadian history into captivating fiction. Her first two novels, *Wilder and Icky*, drew on the stories of the superstitious prize racer Wilbur Lynn Macdonald King and invented the peppy Lily Cookson as his secret wife. Now, Robertson has sampled the real spy web.

Ronald Reagan, Hutchinson then becomes his star, her superior intelligence her interview with the virtually unknown to the secret program *Old Orders Today* that one of Cookson's concerns—a casual reference to Gouzenko—draws the interest of a CIA agent who tries to locate Hutchinson's father, a US military secretary who disappeared in 1962. Hutchinson's own interest in her father's late career, and with Cookson's help, she explores the links between her father and the Soviet defector.

Robertson takes her own run at numerous revered Canadian figures, setting the dead and truly daunting the living. What a Regina (Ed) event, Cookson controls a staff Edward Schreyer-style government general with a meeting from her youth and moments, "In my day, the Duke of Cornwall was a model to emulate his royal posture, but there is a distinction between noble and noble and noble." Her settings are mostly more spine-tingling than *Operation National Archives*, but Robertson creates a mounting sense of suspense.

Robertson established a link and bewildering backdrop for political spy games, she then shows deep government secrets. They include questions about who was really behind the explosion Gouzenko affair whether Hutchinson father defected to the Soviet Union and whether Cookson herself is a Soviet Bloc undercover agent. Towards the end of the novel, Robertson challenges the certainties of a Cold War



Gouzenko the defector who caused a Canadian scandal

Japan and both figures are back—King reappears through his class, and at 87, Cookson is a member of the Canadian Senate. But the title character is Lily Gouzenko, the coding clerk at the Soviet Embassy in Ottawa who defected in 1945 and, until his death in 1982, ruled against Canadian spies in Canada. And with Robertson's strong ability for spy, Japan the silence of a story about a defector's

Robertson also quietly over the boundaries of historical fact to spin a complex tale of espionage, betrayal and murder. A CBC report or, James Hutchinson, profiles Cookson after the author tells us that it's visiting President

world firmly divided by the Iron Curtain. It is particularly interesting passage. Hutchinson reflects on the profound differences between the North American and Russian Second World War experience. She recalls that "housewives were not put in their kitchens, we left their stove to itself, there were no mass graves in the Warsaw pact." Robertson's use of carefully researched characters remains well matched. But Japan shows that the effect of her work on readers not only is dazzling, but it can be disturbing as well.

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A Kayapo tribal meeting; the expulsions and murder of thousands of natives

TELEVISION

Paradise destroyed

A documentary digs deep into the Amazon crisis

AMAZONIA: THE ROAD TO
THE END OF THE FOREST
(Jan. 16, 5-8 p.m.)

While everyone from rock stars to international bankers clamors to be coaxed about the lure of Brazil's equatorial rain forest, a new *History of Things* special documentary takes us on a corporate tour. The product of new works of fiction in the Amazon, *Amazon: The Road to the End of the Forest* offers a much deeper analysis of the situation than many current schemes of ecological fashion (ah, yes, the two-hour program points the finger at blame for the recent devastation of an area roughly the size of Belgium. The culprit, according to the documentary, is big business supported by an accommodating Brazilian government. And Amazonia goes even further than most accounts by asking up the human costs of deforesting the rain forest. The rapid depletion of forests is robbing the earth's atmosphere and reducing rainfall. In Brazil it has meant the expulsions and in some cases deaths of thousands of rubber tappers and Indians. The flooding of a reservoir for a huge hydroelectric project evicted the Wauri-Katari tribe to make 300 m. from over 3,000. And the Brazilian Catholic Church

estimates that hard gamblers have murdered more than 1,000 rural workers in the past 10 years. The devastation began in the 1970s, when Brazil's military regime began rapidly developing Amazonia, which covers about 43 per cent of the country. Under huge development projects, the government paved roads and recruited thousands of peasant farmers as the previously forested north and northeastern states of Pará and Rondônia. The latest case (from the south or northwest, where estate owners had taken over the land they were sharecropping and turned it into huge, mechanized agricultural complexes. Says narrator David Suzuki, "Instead of trying to solve the problems in the south, the government shifted fire into the northern rain forest."

One cause destruction than the migration, however, was the subsequent growth of ranching and mining in Pará state. The Greater Guyana Project opened the world's largest soybean market. With 38 agencies involved, each receiving \$75,000 a year, the project is also leveling forests. According to the documentary, Brazil's demand for cheap iron ore is partly responsible for the rapid deforestation. The project received a loan from the European Economic Community, and its income is a return receiving low-price iron ore from Can-

ada for 18 years. As the slow development strategy, the result of these policies has not been development, but neither the success of the poverty and inequality rampant in the rest of Brazil.

The lawsuit records an assortment of visually dramatic scenes, from the dense jungle home of the Vasconcelos Indians, their land owned by an estimated 40,000 gold prospectors, to the huge strip-mined pit of Carajás. There is a poignant scene of 500 Kayapo Indians demonstrating in front of the federal justice building in Brasília, Brazil's state capital, their colorful feathers and war dress contrasting with the dark blue uniforms of soldiers guarding the building. The Kayapo were protesting against the initial two of their leaders, who had gone to the United States to ask international bankers to stop the government loans that would lead to a flooding of their lands and were later charged with denigrating Brazil's reputation abroad.

Images of peasants living in bleak, dusty towns and rotting palm-fringed shacks, making charcoal for the suburbs, or farming the quickly-uprooted rubber of Brazilian demarcations: how desperately Brazilian needs to be reformed. In one scene, narrator Brad Pitt stands in a newly established farm in Rondônia, describing "the luxury of what is happening." It is supposed to be producing orange root, a staple of the Brazilian diet, but the soil lacks the necessary nutrients. Lutenburger points to a rubber tree, saying, "It's not producing anything." Such scenes contrast with those of the forest itself: abundant green and full of life, much of it still a mystery to the world's scientists.

The documentary crew also visited Acre, a small state in western Brazil, where the rubber tappers have been leading the struggle to save their land from profit-minded outsiders. In a rubber-forest clearing, union leader Chico Mendes, who was murdered last December, got it out of his last moments. Addressing the members, he said the other way, "They also do it to kill the main leaders of the rubber tappers and they've got all the important members—because as our fight progresses, they feel much more worried."

The camera then switches to the controversial house of senator Jello Brasso, local leader of the right-wing Democratic Ruralist Union, who complains that the miners and the church, not the members, are behind the violence. Not, as the film makes clear, and Mendes himself then says, "The progress that the members brought in just for themselves, because after they started to open up the big ranches who grow maize was a string of spools, unemployment, hunger and illness." Amazonia is an eloquent collection of slaughtered policies that have affected not only the world's west, but the lives of ordinary families in the Amazon.

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ENVIRONMENT

An alien invasion

Foreign mussels are disrupting the lakes

During the spring of 1988, University of Windsor biology students Soops Gutrich and Ronald Allison discovered an unfamiliar mollusk attached to a small rock taken from the bottom of Lake St. Clair. The striped shellfish was a European zebra mussel and the students' discovery marked the first time that one had been found and documented in North America. Now, less than 18 months later, the alien creatures are proliferating rapidly. In some parts of Lake St. Clair and Lake Erie, they number 25,000 per square yard. Fish experts warned that the freshwater shellfish could spread through the continent's temperate waterways, disrupting biological systems and causing damage to industry.

Because the zebra mussels, which are natives of Central Asia, not only farm the bottom of the water to food chains, the mussels can limit the food supply for indigenous creatures and fish. Still, scientists said that mussel populations would probably peak once the creatures had depleted the food available in a given area. Meanwhile, the mussels are posing a threat to Lake Erie's water filtration, wastewater and energy plants because their larvae are sucked into underwater pipes where they can clog equipment. An infestation in the water-filtration plant for Monroe, Mich., on Lake Erie's western shore, has already caused a 60-per-cent drop in the city's water supply during certain weather conditions.

Scientists say that the zebra mussels reached North America aboard a ship from Europe that subsequently flushed ballast water containing mussels from Lake St. Clair. In a strange twist, previous alien mussel invasions from entering the Great Lakes, the Canadian Coast Guard introduced voluntary guidelines in May aimed at persuading occupying ships to flush their ballast in the Atlantic before entering the St. Lawrence Seaway. Controlling the mussels' advance may be easier said than done. Bill Griffin, coordinator of international research for the Ontario environment ministry, "We can't arrest them all and tell them they don't have visas." Still, Lake Erie municipalities and power utilities are studying systems involving electrical grids and streams of chlorine and other gases that are used in Europe to keep the destructive mussels away from water intakes.

ANNE STRECY

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Turner campaigning in 1984: "an Establishment Man, suddenly discovering his soul"

BOOKS

People power

A writer describes the 1988 election

Jerry Rubin is selling stocks, Jose Pereda is counting royalties from his second novel, and Anne-Cécile is in the Canadian Senate. But Rick Salata, Toronto playwright, novelist and socialist pundit, remains true to the radical 1960s credo that the others left behind in *Waiting for Democracy: A Citizen's Journal*. Salata again adds fuel to the battle with the Establishment in his analysis of the 1988 election. Salata contrasts that anti-free-trade forces outside the mainstream turned the election into an equisitely incoherent debate about the future of Canada. But his political passions distort the message on a tale as two-dimensional as a Ronald Reagan western. Good battles evil in a free-trade shootout—only, in Salata's script, socialists and anarchists get to wear the white hats.

The rebels are big business, professional politicians, including the normally socialist New Democratic Party and the mainstream media, including *Maclean's*. His heroes are fellow activists—"old war buddies," he calls them—who battled free trade. The book is first and foremost a paean to the spirit of those volunteers and their fight to turn the election into a referendum on the Free Trade Agreement. Their efforts, he writes, generated a few "bravely weak" of democratic choice... during which I looked as if the internal forces of wealth and power in our society might be rivaled."

Salata also decries as cowardly those in the common camp. Liberal leader John Turner, he draws a clear distinction between the main and his party, which he describes as "a corrupt and deceiving body." Under Salata's pen, Turner's metamorphosis from corporate lawyer to anti-free-trade crusader is a near-religious conversion from capitalist darkness to the enlightenment of socialism. "Taken over by the business class to become one of them, embracing them as reality, placed as prime minister to serve them, and somehow it went wrong," he writes in one passage. Watching Turner attack free trade on the stump was like watching "a conventional politician, an Establishment Man, suddenly discovering his soul."

As for Salata, his status as a social-realist is never in doubt. He and Montreal cartoonist Terry Mother, better known as Aulac, created the cartoon booklet that became the main weapon for the Pro-Canada Network, a national coalition against free trade. The group spent \$750,000 to distribute 2.2 million copies in newspaper supplement in major cities across Canada. Salata concludes that his work with the cartoon elevated him from a mere voter into a fighter, the word used by ancient Athenian-democrats to describe a responsible, politically involved member of society.

It took the salience of free trade to lower thousands of others into action and turn the election into a wide-open debate about the future of Canada. That taste of true democracy, Salata says, frightened the business class, whose members pulled the strings on mainstream politicians. "The people kept trying to vote as citizens rather than candidates, and to enter the ring directly themselves," he writes, "even as the thousands of political activists strove might-

ily to shift them back to their traditional role as mere voters for leaders and parties."

Salata's contempt for mainstream politics is manifest. Turner and Liberalism both are "men with their guts to the pillars of wealth and power." In a rally in mid-west Montreal, "we feel the close of the Liberal party all over this church basement." The Tories fret even worse, as Salata makes several allusions to rustlers. But after the second campaign, Salata writes optimistically. "I began to add that the Tories prosper, despite it all, in our Midwestern."

His attacks on Ted Broadbent and the NDP are more cogent. Salata rails at the party for developing the free trade issue in the belief that an all-out attack would cost them votes, and for attacking Turner in an effort to attract anti-free-trade voters. In effect, Salata says, the free-shield was the hand of big business by putting party ahead of country and splitting the anti-free-trade vote. For Salata, "this is getting close to treason."

The true patriots, he says, were the people who struggled to open the democratic debate and set the trade issue. In the end, of course, they lost. But Salata pays broad-based homage to the activists "who had generated questions to government authority, and who almost overthrew it." That is clearly an overstatement. But Salata is clearly convinced that he and his colleagues fought the good fight, and that they will continue to do so. "In the meantime," he writes, "what keeps them going is the tales they can tell about those who tried to do the right thing, even if they failed." *Waiting for Democracy* will take its place among these tales.

MARC CLARK

MACLEAN'S BEST-SELLER LIST

FICITION

- 1 *The Pillars of the Earth*, Hilary (3)
- 2 *Clare and Piers*, George, Clare (1)
- 3 *The Runaway Horse*, in Corn (2)
- 4 *A Natural Curiosity*, Graham (10)
- 5 *Struggle*, Patricia (1)
- 6 *The Nightingale*, Joseph (5)
- 7 *The Dark Half*, Ray (1)
- 8 *Provençal*, Pauline, in (1)
- 9 *Spy Line*, Douglas (1)
- 10 *Peter Star*, Gray Street (1)

NONFICTION

- 1 *The House Is Not a Home*, Patricia (2)
- 2 *A Brief History of Time*, Hawking (1)
- 3 *A Woman's Memoir*, in (1)
- 4 *The Science of Everyday Life*, in (1)
- 5 *In a Canadian Garden*, in (1)
- 6 *Peace, Love and Healing*, Joseph (1)
- 7 *Teen Parents*, in (1)
- 8 *Chronic Ticks*, in (1)
- 9 *Love and Healing*, in (1)
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The lonely sound of one drum beating

BY ALLAN FOTHERINGHAM

Kind editors: the great Lord Louis, are extremely hard to find, and my kind editor the other day kindly gave me a book, with a kind dedication: The book is a heavy tome called *The 1980s: Maclean's Chronicles of the Decade*, a collection of photographs and writings by the magazine's people. It is already a roaring success and is into its second printing. (Chronicles like this waste and fat books; Canadian like collectible books.)

Now, I would never complain about my employer trying to crowd out the best-seller list by my own book (the name of which will never cross my lips), I do not care at these stalling curves and traffic from the mouths of my impressionable children. Never a word of complaint from this corner. But I looked through the slick pages of their effort with sinking heart. Nowhere did I find a single entry from Dr. Fooh.

Dr. Fooh was alive during the 1980s. I can almost swear it. Once made the book *Three Spangolans* made the book. So did *Yasser Arafat: The End of the Road to Gaza and Mother Teresa*. But no Dr. Fooh. It is a pity.

You would think, for \$39.95, a read to my own soon-to-be-overwhelmed book (the title of which I would never advertise) could at least squeeze Dr. Fooh in between such well-known Canadians as Jimmy Baker and Jean Colton. Alas, no. I mentioned the editor in my book (you could look it up, page 115) because I think he probably has stammering mouth at home but that no. The need to include Rick Haden and Laurence meant that Dr. Fooh was left on the cutting-room floor. It is a little hard to understand.

I mean, they obviously find the competitive for my eye, like mine of which cannot be avoided (see). As an example, they have in here a full-page photo of Prince. Now I happen to know for a fact that Prince was not around in the 1980s. I happen to know that he died in 1972, a secret I follow share with anyone. They've got a reference to Gandhi, and I have it in high authority that Gandhi was dispatched some decades before the 1980s.



An editorialist, just to rub it in, they've got a shot of petty officer John Thompson, who has to die 143 years ago with the *Franklin Expedition* looking for the Northwest Passage and whose memory is intact. You not even find yet (my own memory can testify to that, though I may be after I finish looking through this book).

These are even dead before to have been there are dead columns Dr. Fooh wrote some studies in the 1980s, granted, but you'd have thought they could have dropped up a few of the great. Ma, petty officer Thompson showed me out.

Really. All the last guys made it. Ivan Boesky and Bob Casper and Donald Trump and Glen Van Sledright. Klaus Barbie went. Clifford Olson. Get they up as under Dr. Fooh? No chance.

Peter G. Newman has a piece in here. Marco McGowan has a nice essay that Dr. Fooh

loved. Perhaps it has something to do with the government placing on the back page, where readers can scarcely find it. Whatever—it's a use, with a star, as that Peter Gowan and Barbara from can make it, and Simon Branson and the kids, but there's only a corner for The Voice of Home, Book.

Look. I'm not unreasonable. I don't mind that Thomas Wren in her nonfiction made it. Or Dennis Rice. Or Plo-Je Gelfink-Joyner in her athletic ingenuity. Or Brigitte Nansen, who has taken plastic to new heights. But does Diamond Tula have to make it twice when the author of a book that cannot be mentioned is left out in the wood? It is and beyond belief.

The sorrowful thing is that through the lucky ones, this Quince, for God's sake. Bob Cates and Victoria Williams. Leah Wilson in her latest short. Those lovely murderers, Gale Thacker and Jean Harris. This lovely column? Not a chance.

Astoria's Michael Klammer, I will concede, deserves a spot. I would never complain about Princess Di and the Pope. I know my place. But just to shed my spot-to-be-Canadian book and mention to they are to fill my slot with Shirley MacLaine, Robin Leach and Dr. Fooh?

During the 1980s, Dr. Fooh was definitely active, slaving away on the obscure back page. I can remember most of it clearly. Yes, I remember Bob Gelfink and Sylvester Stallone and Condit Dandee. I can even remember Bill Vucelja. But do I have to get covered out for Jerry Maguire? Hands up everyone who knows who David Hasselhoff is. Never mind. Her column never lost up. I'd like to see a report of the joys and perils of the world that are their birthright.

It clearly is a plot.

I don't mind Karen Koo speaking in there. Even Michael J. Fox, who is from downtown Toronto. Ben Johnston and Reyna Gendry. I mean no objection to me. But what, just to be quick the book—the title of which escapes me—do they have to replace me with Gille North and Monique McNeil? There is Larry Bird and Karen Johnson. Now, even, but so Dr. Fooh.

I had fantasized, rendered correct. It is the one of those Kramle exercises in de-familiarization. Because they find the computer of my own book, which bears no name, they have compared me to a literary giant, destined to be trampled in the footsteps by someone ready to purchase two pictures of Tulu and an obituary from his. Fooh?

It is a heavy burden I bear. Time, to plug their book. Second, not to reveal the title of my own. That will come in the 1990s.



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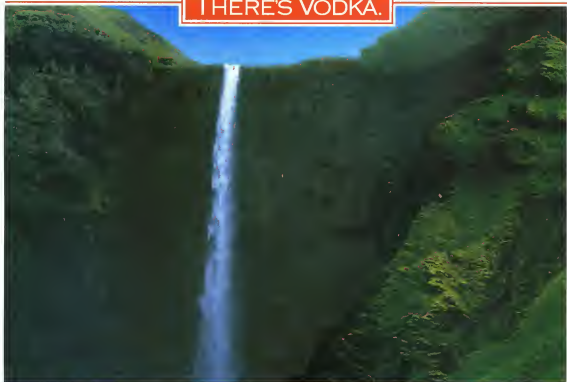
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